# PROJECT REPORT

On

"Financial performance of DBH Finance PLC"

**Supervised By**

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**Prepared By**

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**Program: BBA(2nd Shift)**

**Reg. No. : BS-E-35B-17-108491**

**Batch: 39th/B (major in AIS)**

**Session: 2019-2020; Roll: 07**

**Department of Business Administration**

**Dhaka International University.**

**Date of Submission:** 29th February 2024.

# Letter of Transmittal

February 12, 2024

Md. Ruhul Amin

Associate Professor

Department of Business Administration

Dhaka International University.

**Subject: Submitting to the project report on Financial Performance of DBH Finance PLC.**

Dear Sir,

With due respect I would like to submit the project report titled "Financial Performance of DBH Finance PLC". Even though I am still now on a learning stage, this report has enabled me to learn so many things about the practicing of accounting sector on Bangladesh especially analyzing financial performance of a renowned company like DBH Finance PLC. It has been a challenging and interesting experience. Thank you for your heartiest appreciation, supportive consideration and sincere guidance while formulating this report. Without your inspiration, this report may not come to the light. Lastly, I need your support, judicious advice and permission for going this report to the further process.

So, I therefore pray and hope that you will take your necessary steps for me to give your permission to publish it and go for the further process.

Your Sincerely,

Md. Asif Hossain
Program: BBA(2nd Shift)
Reg. No. : BS-E-35B-17-108491
Batch: 39th/B (major in AIS)
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# Acknowledgement

I express my gratitude to the Almighty Allah, who has enabled me to pursue my studies. I also want to thank a large number of people for their warm cooperation and encouragement in preparing this report by helping me directly or indirectly. I convey my special acknowledgement to my honorable supervisor, Md. Ruhul Amin, Associate Professor, Department of Business Administration, Dhaka International University, for his guidance and cooperation, which helped me significantly to complete this report. I have special acknowledgements to those who have given me their valuable advice and provided their individual support and advice to continue this report. Again, I am grateful for all the influence and many others unknown to us, but I remain responsible where I failed to heed their instructions. This report is the collective effort of all, and without their contribution, it would have been so difficult for me to complete it in such a short time. Finally, I would like to convey my gratitude to my parents and all others whose strong support made me able to complete this report. Without their contribution, it would not be possible for me to complete this report as well as my BBA program.

# Executive Summery

DBH Finance PLC. started their journey in 1997 with a view to loaning and depositing to the parties who wants to be an owner of a home. Now it's become one of the renowned non banking institute. Bangladesh Bank and NBR provide them many awards for doing well in their section. Investors, loaner and depositors most of the parts are happy with them.In C/A, Landmark Building ( 9th Floor), Gulshan North Avenue is their head office from they conduct and monitor their activities.

In this report there are five chapters each contain a details information of describing the financial performance of DBH Finance PLC. With a lot of struggle I tried my best to make it up to dated. Though the time duration of submission of this report is very much shorter, but I tried my best to written down all necessary information in this report.

With the supervision of Nasimul Baten (CEO and Director) of DBH Finance PLC. running their activities very much smoothly. He and his team working so much efficiently that recently they got award from National Board of Revenue for paying the highest tax in the Non-Banking section.

In Financial Performance they are really doing well. There last quarter some data are highly appreciable. That is total asset is 68,106,288,686 Taka from where fixed assets including building, land and other's is 287,543,249 Taka and cash in hand is 89,659 Taka. That shows a very good amount for running a business like this type of organization. In this quarter it's profit was 728,209,889 Taka and Net off Overdraft is 21, 40,108,216 Taka.

By find out ratio based analyzed, trend percentage analyze and SWOT analyze this report show the actual condition of DBH Finance PLC. Which actually is in a normal situation. By earning profit amount is 728,209,889 Taka, it show a good position in the market in the NBI section. And it's trend percentage analyze says it will doing more in the next quarter.

# Student's Declaration

I do hereby declare that this report, titled as **"Financial performance of DBH Finance PLC"** has been written by me under the valuable guidance of Md. Ruhul Amin Sir, Associate Professor, Department of Business Administration, Dhaka International University, in partial fulfillment of the requirements for the award of the degree of Bachelor of Business Administration. I am also declaring that I have not submitted this report for any degree, diploma, or title recognition before.

Your Sincerely,

Md. Asif Hossain

Program: BBA(2nd Shift)

Reg. No. : BS-E-35B-17-108491

Batch: 39th/B (major in AIS)

Session: 2019-2020; Roll: 07

Department of Business Administration

Dhaka International University.

## Clarification of Supervisor

This is to certify that Md. Asif Hossain, a student of BBA (2nd Shift), 39th/B batch (Major in AIS); Roll No: 07, Reg. No.: BS-E-35B-17-108491, of Dhaka International University has finished his project report titled **"Financial Performance of DBH Finance PLC" ,** under my supervision and guidance as the partial fulfillment of BBA degree.

**Comment:**

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Md. Ruhul Amin

Associate Professor

Department of Business Administration

Dhaka International University.

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# Chapter:01

## Background of Study

## 1.1 Introduction

The project report titled “To analysis of the financial performance of DBH Finance PLC " has been prepared as a fulfillment of the partial requirement of either the project or internship report, as authorized by the Department of Business Administration, Dhaka International University. This report presents an analysis of the financial performance of DBH Finance PLC. The report was conducted through research and analysis of several sources to gain a comprehensive view of the report. The objective of the project report was to gain valuable theoretical and analytical knowledge and understanding of the application of accounting for analyzing DBH Finance PLC’s financial performance.

## 1.2 Objectives of the Study

### 1.2.1 Broad Objectives:

The broad and overall objective of this report is to analyze the financial performance of a company. For our study, we have selected DBH Finance PLC and try to find out it’s future financial condition by using its present and past financial data available on annual report, magazine, newspaper and other sources.

### 1.2.2 Specific Objectives:

It is therefore necessary to consider the following specific objectives:

a) To examine the BAS and BFRS standards used for preparing the financial statement.
b) To evaluate how auditors play their roles in reviewing and verifying the accuracy of financial records.
c) To identify the necessary ratios for comparing financial statements with the previous year and also forecast the new ratio or possibilities.
d) To identify how key factors like economic condition, globalization, political party and social movement etc. affect on financial statement.

## 1.3 Methodology of the Study

The methodology for this report includes only secondary sources. The detailed descriptions of our methodology are listed below as follows:

a) Literature Review: Conducted a comprehensive review of academic articles, research papers, reports, and books to gather existing knowledge on the subject.
b) Data Analysis: Analyzed data from reports and case studies to examine the relationship between financial statements and accounting practices.
c) Document Analysis: Reviewed official documents, annual company reports, and website articles etc. to understand the practices and activities for analyzing financial condition.

## 1.4 Limitations of the Study

During my study, I have faced a few complications with regards to the data in preparation of a report, which I consider as limitations of the study. They are as follows:

a) Due to my physical sicknesswhich impacted my mobility to move around and collect primary data.
b) Some of the sources, i.e. Research articles, contained old and outdated data which make this report also outdated in some manner.
c) For fulfillment and submission of this report time was very short. And that's why many important parts of accounting need to be cut off.

## Chapter:02

**Overview about DBH**

## 2.1 Introduction

DBH Finance PLC. (DBH) is the pioneer, largest and specialist in Housing Finance Institution in the private sector of the country. After commencing operation in 1996 the company has registered commendable growth in creating home ownership in Dhaka and other major cities of the country. At the same time, the company has been playing an active role in promoting the real estate sector to the large cross sections of prospective clients who had but yet unfulfilled dream of owning a home.

Among all Banks and Financial Institutions of Bangladesh only DBH has been rated the highest 'AAA' credit rating for 18th consecutive years. The level of credit rating provides a very important indication of the financial safety, security and strength of the concerned Bank or Financial Institution and is particularly relevant to its depositors and other investors such as shareholders and lenders.

### 2.1.1 Vision

Their vision is to expand and strengthen home ownership from the society of the country.

### 2.1.2 Mission

Their mission is to lead financial institution in the country with satisfied customers and employees and to generate value for their shareholders while contributing to the well being of the society.

### 2.1.3 Corporate Responsibility

DBH is recognized as a responsible corporate citizen for its continuous effort to promote ownership of housing, wealth creation and also towards the improvement of the underprivileged and weaker sections of the society. DBH is committed to participate in ventures for improvement of the society by taking development initiatives which contribute to the country's rich cultural heritage.

## 2.2 Management and administration

Mr. Nasir A. Choudhury Chairman of DBH lead this company with his exceptional knowledge and experience of banking sectors make this company more attractive, profitable and renowned to the general public. Another more important key player Mr. NasimulBaten (CEO and Director of DBH) a brilliant student of IBA of Dhaka University play the most vital role by lead this organization as per shareholders wishes. There are many renowned persons involved in this organization whose identity is revealed in the appendix part of this report. With their hard work the pillar of this company is being established and rated as the highest 'AAA' credit rating for 18th consecutive years.

### 2.2.1 Management Hierarchy

On the basis of Annual Report 2022 of DBH Finance PLC. a basic management hierarchy are being drawn. Person who are playing this roles are being given after the hierarchy.

Here given bellow BOT of DBH's basic management hierarchy is shown:

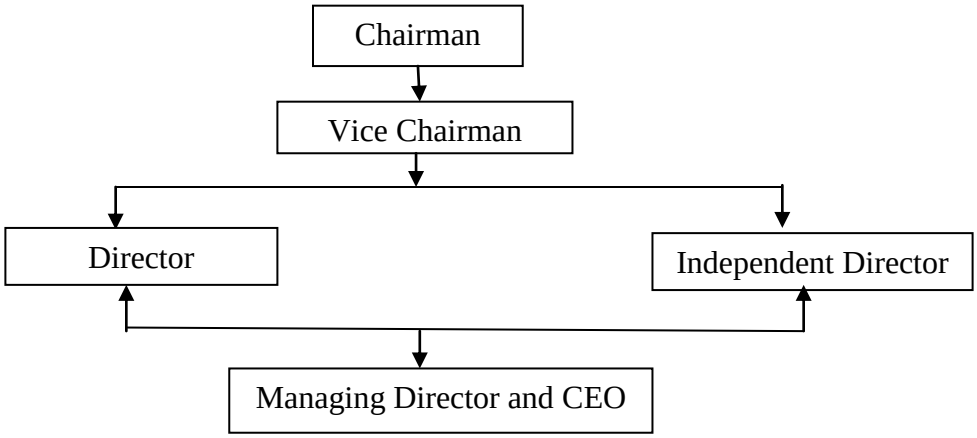



**Fig. 1: BOT of DBH**

Here given bellow Shariah Supervisory Committee of DBHbasic management hierarchy is shown:

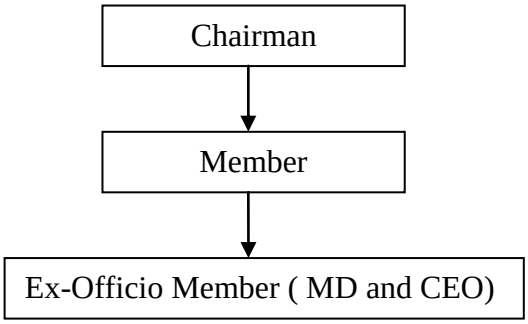



**Fig. 2: Shariah Supervisory Committee of DBH**

Here given bellow Management Executive Committee of DBH's basic management hierarchy is shown:

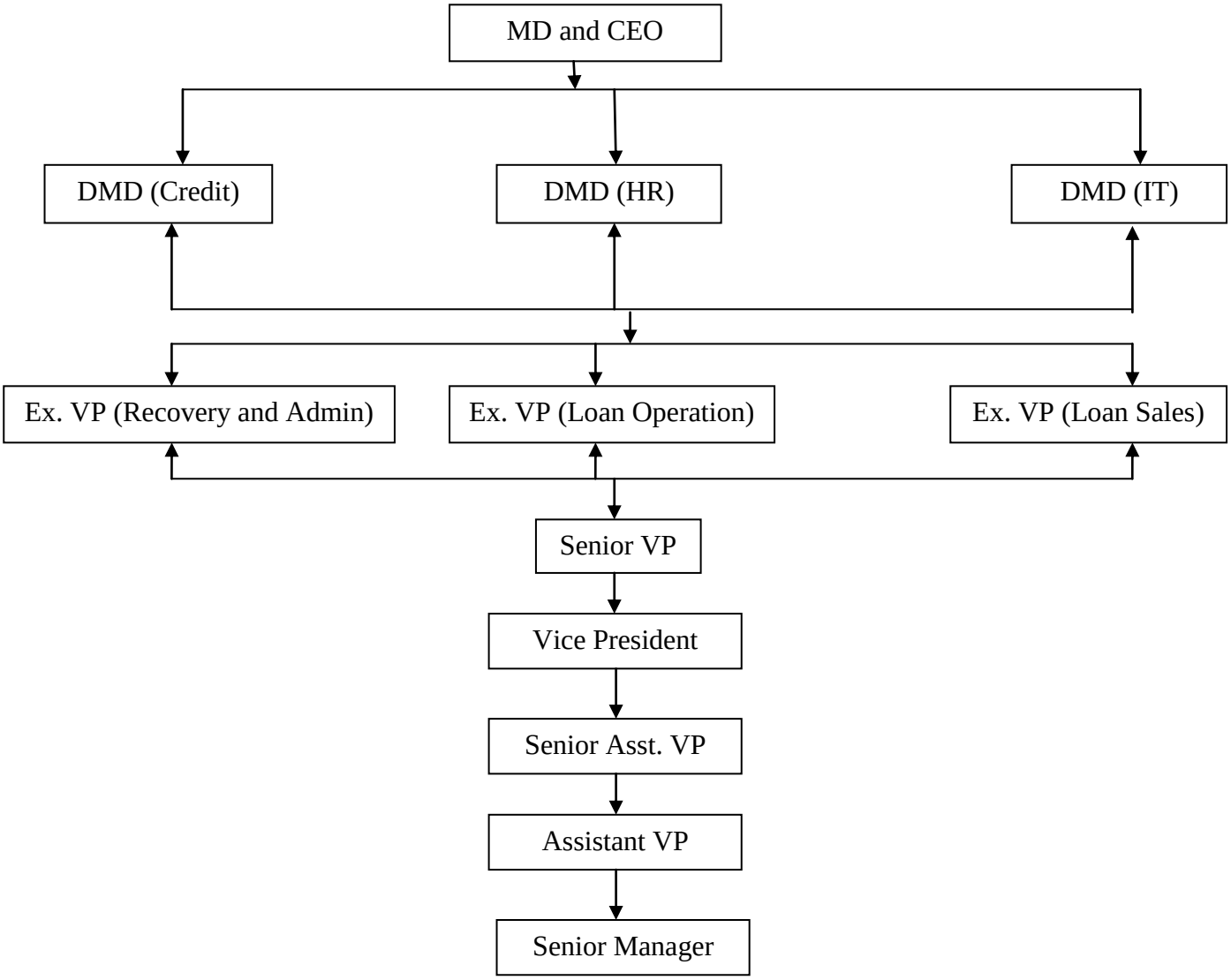



**Fig. 3: Management Executive Committee of DBH**

## INFORMATION OF THE BOARD OF DIRECTORS OF DBH FINANCE PLC.

Date: 01.01.2024

| SL. No | Name | Designation | (a) Father's Name, (b) Mother's Name & (c) Spouse Name | Address | | Date of first Appointment | Date of last Appointment/ Reappointment | Intervals between each subsequent appointments | Percentage of share holding of the Director and his/her family members of the total shares of the FIs as per FID Circular No. 05 Dated: 16.06.2002 |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Present Address (Business) | Permanent | | | | |
| 1 | Mr. Nasiruddin Ahmad Choudhury | **Chairman** (Nominated by Green Delta Ins. Co. Ltd.) | (a) Late Gausuddin Ahmad Choudhury<br>(b) Late Sara Khatun Choudhury<br>(c) Mrs. Khurshida Chowdhury | Green Delta Ins Co Ltd, Green Delta AIMS Tower (6th Floor) 51/52, Mohakhali, C/A, Dhaka-1212 | House # 5, Road # 82, Gulshan-2, Dhaka-1212 | 5-May-96 | 06-May-21 | N/A | GDIC holds 15.30 % share |
| 2 | Mr. A. M. R. Chowdhury | **Vice Chairman** (Nominated by BRAC) | (a) Late Azfar Raza Chowdhury<br>(b) Late Amina Khatun<br>(c) Mrs. Neelofar Raza Chowdhury | Brac Centre,75 Mohakhali C/A Dhaka-1212 | Flat# 3-B, House# 90/A, Road# 6/C, DOHS, Banani, Dhaka | 23-Feb-15 | 17-Apr-22 | N/A | BRAC holds 18.39% share |
| 3 | Ms. Mehreen Hassan | Nominated by Delta Life Ins. Co. Ltd. | (a) Mr. Anwar Hossain<br>(b) Ms. Samreen Hassan<br>(c) Mr. Zeyad Rahman | House# 4A, Road# 84, Gulshan# 02, Dhaka – 1212, Bangladesh. | Flat # A-3, House # 7, Road # 56, Gulshan – 2, Dhaka - 1212 | 6-Jun-12 | 17-Apr-22 | N/A | DLIC holds 17.63% share |
| 4 | Mr. Syed Moinuddin Ahmed | Nominated by Green Delta Ins. Co. Ltd. | (a) Dr. Syed Alauddin Ahmad<br>(b) Mrs. Nafiz Sultana<br>(c) Mrs. Tanzila Zaman | Green Delta Ins Co Ltd, Green Delta AIMS Tower (6th Floor) 51/52, Mohakhali, C/A, Dhaka-1212 | Road # 21, House # 60/B, Block # B, Banani, Dhaka | 21-Mar-12 | 17-Apr-22 | 7 years & 3 months | GDIC holds 15.30 % share |
| 5 | Mr. Khandkar Manwarul Islam | Nominated by Delta Life Ins. Co. Ltd | (a) Late Khandakar Nurul Islam<br>(b) Monowara Begum<br>(c) Sonia Sultana | North Gomail, Zirabo, Ashulia, Dhaka-1341, Bangladesh | House No. 05, Road no. 17, Sector No. 07, Uttara Model Town, Dhaka, Bangladesh. | 26-Oct-22 | 18-May-23 | N/A | DLIC holds 17.63% share |
| 6 | Mr. Nazir Rahim Chowdhury | Nominated by Delta Life Ins. Co. Ltd. | (a) Mr. Badrur Rahim Chowdhury<br>(b) Mrs. Ayesha Chowdhury<br>(c) Fahria Huque | 226/1, Tilargati, Singhbari Road, Tongi, Gazipur, Bangladesh | Concord Whitehouse, Road# 07, House# 21, Block# K, Baridhara Diplomatic Zone, Dhaka- 1212. | 26-Oct-22 | 18-May-23 | N/A | DLIC holds 17.63% share |
| 7 | Major General Syeed Ahmed BP, (Retd.) | Independent Director | (a) Late Amir Hossain<br>(b) Late Sajeda Khatun<br>(c) Mrs. Nasreen Ahmed | House-16, Road-127, Gulshan-1, Dhaka | House-16, Road-127, Gulshan-1, Dhaka | 27-Dec-18 | 17-Apr-22 | N/A | Nil |
| 8 | Mr. Nasimul Baten | Managing Director & CEO | (a) Late Sarder Abdul Baten<br>(b) Nazne Ara Baten<br>(c) Suraiya Akhtar Zahan | Landmark, 12-14 Gulshan North C/A, Gulshan-2, Dhaka | House # 34, Apt. # B8, Road # 25, Block # A, Banani, Dhaka | 01-Jan-21 | 01-Jan-24 | N/A | Nil |

## BOARD OF DIRECTORS

Mr. Nasir A. Choudhury
Chairman

Dr. A M R Chowdhury
Vice Chairman

Mehreen Hassan, Bar-at-Law
Director

Major General Syeed Ahmed, BP, awc, pse (Retd.)
Independent Director

Nazir Rahim Chowdhury
Director

Rasheda K. Choudhury
Director

Syed Moinuddin Ahmed
Director

Khandkar Manwarul Islam
Director

Nasimul Baten
Managing Director & CEO

## EXECUTIVES TEAM

**Nasimul Baten**
Managing Director & CEO

**A. K. M. Tanvir Kamal**
Deputy Managing Director & Chief Operating Officer (COO)

**Tanvir Ahmad**
Deputy Managing Director & Head of Human Resources

**Ashfakul Islam**
Senior Executive Vice President & Head of Information Technology

**Saiyaf Ejaz**
Executive Vice President & Head of Recovery, Admin and Operational Risks

**Md. Zakaria Eusuf**
Executive Vice President & Head of Credit

**Md. Golam Rosul**
Executive Vice President & Head of Loan Sales

**Md. Abdul Ahad**
Executive Vice President & Chief Financial Officer

**Jashim Uddin**
Senior Vice President - Company Secretary & Head of Corporate Affairs

**Sabed Bin Ahsan**
Senior Vice President & Head of Deposits, Affordable Home Loans, Digital and Processing

**Nahid Ahmed**
Senior Vice President & Head of Treasury

**Md. Fakrul Amin**
Senior Vice President & Head of Legal

### 2.2.2 Highest Taxpayer Award

DBH Finance PLC, the country's largest housing finance provider, which has been awarded by National Board of Revenue (NBR) as one of the highest taxpayers for the Fiscal Year 2022-23. The company received the award under the "Non-Banking Financial Institutions" category.

Chairman of the National Board of Revenue (NBR), Abu HenaMdRahmatulMuneem, handed over the prestigious tax card and crest over to NasimulBaten, Managing Director of DBH Finance PLC. thatevent organized at Bangabandhu International Conference Center recently. Md. Abdul Ahad, Chief Financial Officer (CFO) of DBH Finance PLC, was also present during the presentation.

## 2.3 Product and procedure

DBH Finance PLC. offers public to take loan or deposit their money for making their desired home. In the loan section desired public take loan after that theymake their home and then repay their loaned amount with some extra interest. And for depositor they deposit their money for making their desired home in a expectation of protecting their money and getting more interest by DBH Finance PLC.

### 2.3.1 Loan scheme of DBH Finance PLC.

A. Apartment Purchase Loan

B. Own Construction Loan

C. Group Construction Loan

D. Car Loan

E. Home Equity Loan

F. Extension/Renovation Loan

G. Balance Transfer Loan

H. Plot Purchase Loan

I. Personal Loan

J. Semi Pucca Construction Loan

### 2.3.2 Deposit schemes of DBH Finance PLC.

Deposit schemes offered by DBH Finance PLC. is given bellow:

A. Annual Income Deposit

B. Day Wise Deposit

C. Easy Deposit

D. Monthly Income Deposit

E. Quarterly Income Deposit

F. Flexible Fixed Deposit

G. DBH Platinum Deposit (DPD)

H. Double Money Deposit

I. DBH DPS

## 2.4 Company competitive situation

DBH Finance PLC. is the highly rated 'AAA' for 18 consecutive years with their efficient knowledge, experience and manpower. In the bellowing section Strategic Objectives and Competitive Strengths are written down for understanding this concept clearly.

### 2.4.1 Strategic Objectives

a) Focus on building deep and long-standing relationships with their clients, customers as well as real-estate developers, and constantly look to improve the quality of their products and services.
b) Focus on developing their human resource talents.
c) Ensure balanced growth with a disciplined approach to the management of risks and costs.
d) Ensure adequate capital and liquidity to sustain their business over the long term.

### 2.4.2 Competitive Strengths

DBH is the major player in the housing finance sector in Bangladesh since 1997 and remains one of the leading non-bank financial institutions. Today, they are an acclaimed brand for a high level of customer services and respected for ethics, values and corporate governance.

They have developed an attractive suite of products that cater to all customer segments, with their primary focus to strengthen the society by expanding home ownership. By leveraging their understanding of customers from different economic segments, they are today in a position to extend a range of products and services in loans as well as deposits through their specialized team members. Thus, they provide one stop facility for their customer needs.

## Chapter:03

**Theory**

## 3.1 Introduction

Accounting is an information system that identifies, records and communicates the economic events of an organization to interested users. The history of accounting or accountancy can be traced to ancient civilizations. The early development of accounting dates to ancient Mesopotamia, and is closely related to developments in writing, counting money and early auditing systems by the ancient Egyptians and Babylonians. By the time of the Roman Empire, the government had access to detailed financial information.

In India, Chanakya wrote a manuscript similar to a financial management book, during the period of the Mauryan Empire. His book Arthashastra contains a few detailed aspects of maintaining books of accounts for a sovereign state.

The Italian Luca Pacioli, recognized as The Father of accounting and bookkeeping was the first person to publish a work on double-entry bookkeeping, and introduced the field in Italy.

The modern profession of the chartered accountant originated in Scotland in the nineteenth century. Accountants often belonged to the same associations as solicitors, who often offered accounting services to their clients. Early modern accounting had similarities to today's forensic accounting. Accounting began to transition into an organized profession in the nineteenth century, with local professional bodies in England merging to form the Institute of Chartered Accountants in England and Wales in 1880.

## 3.2 Theoretical discussion

In this report I tried my best to explain these following theories and their application used in DBH Finance PLC.

### 3.2.1 Accounting Standards

An accounting standard is a set of practices and policies used to systematize bookkeeping and other accounting functions across firms and over time. Accounting standards apply to the full breadth of an entity's financial picture, including assets, liabilities, revenue, expenses, and shareholders' equity. ICAB follow IFAC, IASB, CAPA, SAFA, ICAEW, CIPFA, CPA Australia, CAANZ and many more regulatory organizations. But the Generally Accepted Accounting Principles (GAAP) in Bangladesh are based upon standards set by the ICAB, which has stated its intention to adopt International Financial Reporting Standards. In Bangladesh companies and other organization do follow BAS and BFRS which is same as IAS and IFRS. These BAS and BFRS are totally controlled and regulated by ICAB.

#### 3.2.1.1 IAS

International Accounting Standards (IASs) were issued by the antecedent International Accounting Standards Council (IASC), and endorsed and amended by the International Accounting Standards Board (IASB). The IASB will also reissue standards in this series where it

considers it appropriate.IFAC also supports the IASB with respect to setting accounting standards.

| IAS | Name | Issued |
|---|---|---|
| **IAS 01** | Presentation of Financial Statements | 2007* |
| **IAS 02** | Inventories | 2005* |
| **IAS 03** | Consolidated Financial Statements<br>Superseded in 1989 by IAS 27 and IAS 28 | 1976 |
| **IAS 04** | Depreciation Accounting<br>Withdrawn in 1999 | |
| **IAS 05** | Information to Be Disclosed in Financial Statements<br>Superseded by IAS 1 effective 1 July 1998 | 1976 |
| **IAS 06** | Accounting Responses to Changing Prices<br>Superseded by IAS 15, which was withdrawn December 2003 | |
| **IAS 07** | Statement of Cash Flows | 1992 |
| **IAS 08** | Accounting Policies, Changes in Accounting Estimates and Errors | 2003 |
| **IAS 09** | Accounting for Research and Development Activities<br>Superseded by IAS 38 effective 1 July 1999 | |
| **IAS 10** | Events After the Reporting Period | 2003 |
| **IAS 11** | Construction Contracts<br>Superseded by IFRS 15 as of 1 January 2017 | 1993 |
| **IAS 12** | Income Taxes | 1996* |
| **IAS 13** | Presentation of Current Assets and Current Liabilities<br>Superseded by IAS 1 effective 1 July 1998 | |
| **IAS 14** | Segment Reporting<br>Superseded by IFRS 8 effective 1 January 2009 | 1997 |
| **IAS 15** | Information Reflecting the Effects of Changing Prices<br>Withdrawn December 2003 | 2003 |
| **IAS 16** | Property, Plant and Equipment | 2003* |
| **IAS 17** | Leases<br>Superseded by IFRS 16 effective 1 January 2019 | 2003* |
| **IAS 18** | Revenue<br>Superseded by IFRS 15 effective 1 January 2017 | 1993* |
| **IAS 19** | Employee Benefits (1998)<br>Superseded by IAS 19 (2011) effective 1 January 2013 | 1998 |
| **IAS 19** | Employee Benefits (2011) | 2011* |
| **IAS 20** | Accounting for Government Grants and Disclosure of Government Assistance | 1983 |
| **IAS 21** | The Effects of Changes in Foreign Exchange Rates | 2003* |
| **IAS 22** | Business Combinations<br>Superseded by IFRS 3 effective 31 March 2004 | 1998* |
| **IAS 23** | Borrowing Costs | 2007* |
| **IAS 24** | Related Party Disclosures | 2009* |
| **IAS 25** | Accounting for Investments<br>Superseded by IAS 39 and IAS 40 effective 2001 | |
| **IAS 26** | Accounting and Reporting by Retirement Benefit Plans | 1987 |
| **IAS 27** | Separate Financial Statements (2011) | 2011 |
| **IAS 27** | Consolidated and Separate Financial Statements<br>Superseded by IFRS 10, IFRS 12 and IAS 27 (2011) effective 1 January 2013 | 2003 |
| **IAS 28** | Investments in Associates and Joint Ventures (2011) | 2011 |
| **IAS 28** | Investments in Associates<br>Superseded by IAS 28 (2011) and IFRS 12 effective 1 January 2013 | 2003 |

| | | |
|---|---|---|
| **IAS 29** | Financial Reporting in Hyperinflationary Economies | 1989 |
| **IAS 30** | Disclosures in the Financial Statements of Banks and Similar Financial Institutions<br>Superseded by IFRS 7 effective 1 January 2007 | 1990 |
| **IAS 31** | Interests In Joint Ventures<br>Superseded by IFRS 11 and IFRS 12 effective 1 January 2013 | 2003* |
| **IAS 32** | Financial Instruments: Presentation | 2003* |
| **IAS 33** | Earnings Per Share | 2003* |
| **IAS 34** | Interim Financial Reporting | 1998 |
| **IAS 35** | Discontinuing Operations<br>Superseded by IFRS 5 effective 1 January 2005 | 1998 |
| **IAS 36** | Impairment of Assets | 2004* |
| **IAS 37** | Provisions, Contingent Liabilities and Contingent Assets | 1998 |
| **IAS 38** | Intangible Assets | 2004* |
| **IAS 39** | Financial Instruments: Recognition and Measurement<br>Superseded by IFRS 9 where IFRS 9 is applied | 2003* |
| **IAS 40** | Investment Property | 2003* |
| **IAS 41** | Agriculture | 2001 |

**Tab. 1: IAS List Approved by IASB**

#### 3.2.1.2 IFRS

IFRS stands for international financial reporting standards. It's a set of accounting rules and standards that determine how accounting events should be reported in your business's financial statements.

| IFRS | Name | Issued |
|---|---|---|
| **IFRS 01** | First-time Adoption of International Financial Reporting Standards | 2008* |
| **IFRS 02** | Share-based Payment | 2004 |
| **IFRS 03** | Business Combinations | 2008* |
| **IFRS 04** | Insurance Contracts<br>Superseded in 2023 by IFRS 17 | 2004 |
| **IFRS 05** | Non-current Assets Held for Sale and Discontinued Operations | 2004 |
| **IFRS 06** | Exploration for and Evaluation of Mineral Resources | 2004 |
| **IFRS 07** | Financial Instruments: Disclosures | 2005 |
| **IFRS 08** | Operating Segments | 2006 |
| **IFRS 09** | Financial Instruments | 2014* |
| **IFRS 10** | Consolidated Financial Statements | 2011 |
| **IFRS 11** | Joint Arrangements | 2011 |
| **IFRS 12** | Disclosure of Interests in Other Entities | 2011 |
| **IFRS 13** | Fair Value Measurement | 2011 |
| **IFRS 14** | Regulatory Deferral Accounts | 2014 |
| **IFRS 15** | Revenue from Contracts with Customers | 2014 |
| **IFRS 16** | Leases | 2016 |
| **IFRS 17** | Insurance Contracts | 2017 |

**Tab. 2: IFRS adopted by IASB**

### 3.2.1.3 Legal framework

The Companies Act of 1994 provides basic requirements for financial reporting by all companies in Bangladesh. It is silent about either Bangladesh Financial Reporting Standards (BFRS/BAS) or International Financial Reporting Standards (IASs/IFRSs).

1. Listed companies: The Securities and Exchange Commission of Bangladesh regulates financial reporting by listed companies.SER 1987 requires compliance with IASs/IFRSs as adopted in Bangladesh (these are known as Bangladesh Financial Reporting Standards and include Bangladesh Accounting Standards).
2. Banks: The Bank Company Act of 1991 mandates reporting formats and disclosures based on BAS 30, which is similar to IAS 30. The Act is silent about other BAS/BFRS, and compliance with BAS/BFRS by banks is mixed.
3. Insurance companies: The Insurance Act 1938 does not mandate compliance with BAS/BFRS. In practice, insurance companies often do not follow BAS/BFRS.
4. Other companies: Neither the law nor the by-laws of the Institute of Chartered Accountants of Bangladesh mandates compliance with BAS/BFRS by unlisted companies. Actual compliance varies widely and the ICAB has published the Bangladesh Financial Reporting Standard for Small and Medium-sized Entities (BFRS for SMEs)

### 3.2.1.4Bangladesh Financial Reporting Standards (BFRS)

The Financial Reporting Standards prescribed by the Institute of Chartered Accountants in Bangladesh (ICAB) are known as Bangladesh Financial Reporting Standards (BFRS, including Bangladesh Accounting Standards, BAS). BFRS and are closely modeled on International Accounting Standards and International Financial Reporting Standards issued by the International Accounting Standards Board. BFRS developed by the ICAB were originally based on older International Accounting Standards (IASs) - generally those developed by the IASC rather than the improved IASs and new IFRSs developed by the IASB. In more recent times, the ICAB has adopted the updated IASB standards as BFRS and all BFRSs have been updated based on IFRSs 2012. The Technical and Research Committee, a standing committee of the ICAB, is responsible for reviewing on a regular basis, the latest national and international pronouncements and standards on accounting, auditing and allied matters, and recommend the same for adoption to the Council, after carrying out a technical review for adoptability and acceptability in the Bangladeshi context. The Council is responsible for approving and adopting the Standards, Interpretations and related documents. As at January 2013, a version of all IFRS (and IAS) issued by the IASB had been adopted as BFRS by the ICAB, with the following exceptions:

1. IAS 29 Financial Reporting in Hyperinflationary Economies - adopted but will not enter into force until 2015
2. IFRS 9 Financial Instruments. - adopted BAS/BFRS are legally enforceable for listed companies under the SEC Rules. They are not mandatory or enforceable through the ICAB by-laws.

The auditor's report and basis of presentation note refer to conformity with international accounting standards applicable in Bangladesh.

### 3.2.2 Accounting Ratios

An accounting ratio compares two line items in a company's financial statements, namely made up of its income statement, balance sheet, and cash flow statement. These ratios can be used to evaluate a company's fundamentals and provide information about the performance of the company over the last quarter or fiscal year.

Analyzing accounting ratios is an important step in determining the financial health of a company. It can often point out areas that are bringing the profitability of a company down and therefore need improvement. The efficacy of new management plans, new products, and changes in operational procedures, can all be determined by analyzing accounting ratios.

Accounting ratios also work as an important tool in company comparison within an industry, for both the company itself and investors. A company can see how it stacks up against its peers and investors can use accounting ratios to determine which company is the better option.

A thorough accounting analysis can be a complex task, but calculating accounting ratios is a simple process of dividing two line items found on a financial statement, that provide a quick form of clear analysis to a business owner or investor.

**Types of Accounting Ratios**

#### 3.2.2.1 Profitability Ratios:

These ratios measure the company's ability to generate profits relative to its sales, assets, or equity. Examples include:

a) Return on Equity (ROE)
b) Gross Profit Margin
c) Net Profit Margin

#### 3.2.2.2 Liquidity Ratios:

These ratios assess the company's ability to meet its short-term obligations. Examples include:

a) Current Ratio
b) Quick Ratio (acid-test ratio)

#### 3.2.2.3 Efficiency Ratios:

Also known as activity ratios, these ratios measure how effectively a company utilizes its assets to generate sales or income. Examples include:

a) Inventory Turnover Ratio
b) Accounts Receivable Turnover Ratio

#### 3.2.2.4 Solvency Ratios:

These ratios evaluate the company's long-term financial stability and its ability to meet long-term obligations. Examples include:

a) Debt to Equity Ratio
b) Interest Coverage Ratio

#### 3.2.2.5 Market Ratios:

These ratios help investors evaluate the attractiveness of a company's stock in the market. Examples include:

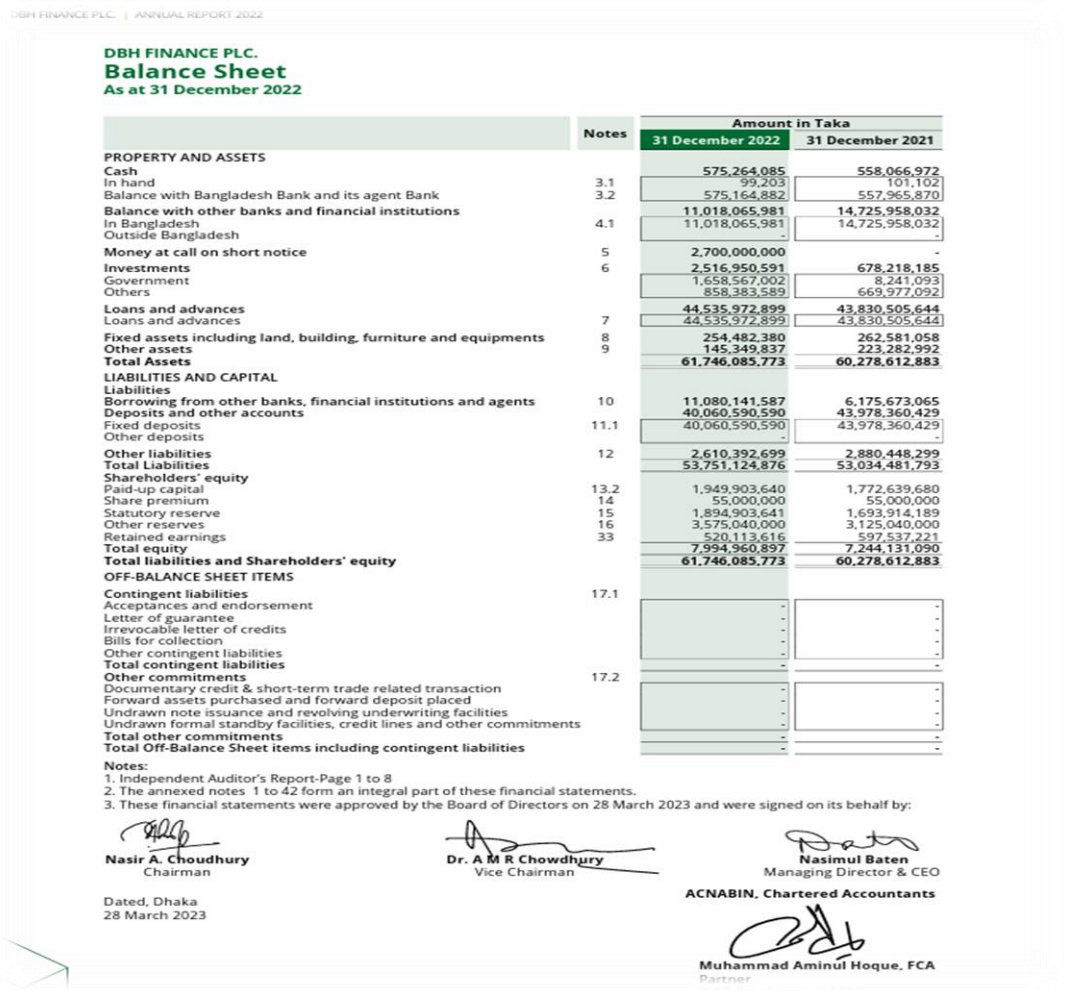
a) Price to Earnings Ratio (P/E)
b) Earnings per Share (EPS)

## 3.3 Annual Report of 2022 of DBH Finance PLC.

In annual report of 2022 of DBH Finance PLC. basically I found this three most important things which I describe in this following stage:

### 3.3.1 Balance Sheet

A balance sheet is a financial statement that contains details of a company’s assets or liabilities at a specific point in time. It is one of the three core financial statements (income statement and cash flow statement being the other two) used for evaluating the performance of a business.



DBH FINANCE PLC. | ANNUAL REPORT 2022

**DBH FINANCE PLC.**

## Balance Sheet

**As at 31 December 2022**

| | Notes | Amount in Taka | |
|---|---|---|---|
| | | 31 December 2022 | 31 December 2021 |
| **PROPERTY AND ASSETS** | | | |
| **Cash** | | 575,264,085 | 558,066,972 |
| In hand | 3.1 | 99,203 | 101,102 |
| Balance with Bangladesh Bank and its agent Bank | 3.2 | 575,164,882 | 557,965,870 |
| **Balance with other banks and financial institutions** | | 11,018,065,981 | 14,725,958,032 |
| In Bangladesh | 4.1 | 11,018,065,981 | 14,725,958,032 |
| Outside Bangladesh | | - | - |
| **Money at call on short notice** | 5 | 2,700,000,000 | - |
| **Investments** | 6 | 2,516,950,591 | 678,218,185 |
| Government | | 1,658,567,002 | 8,241,093 |
| Others | | 858,383,589 | 669,977,092 |
| **Loans and advances** | | 44,535,972,899 | 43,830,505,644 |
| Loans and advances | 7 | 44,535,972,899 | 43,830,505,644 |
| **Fixed assets including land, building, furniture and equipments** | 8 | 254,482,380 | 262,581,058 |
| **Other assets** | 9 | 145,349,837 | 223,282,992 |
| **Total Assets** | | 61,746,085,773 | 60,278,612,883 |
| **LIABILITIES AND CAPITAL** | | | |
| **Liabilities** | | | |
| **Borrowing from other banks, financial institutions and agents** | 10 | 11,080,141,587 | 6,175,673,065 |
| **Deposits and other accounts** | | 40,060,590,590 | 43,978,360,429 |
| Fixed deposits | 11.1 | 40,060,590,590 | 43,978,360,429 |
| Other deposits | | - | - |
| **Other liabilities** | 12 | 2,610,392,699 | 2,880,448,299 |
| **Total Liabilities** | | 53,751,124,876 | 53,034,481,793 |
| **Shareholders' equity** | | | |
| Paid-up capital | 13.2 | 1,949,903,640 | 1,772,639,680 |
| Share premium | 14 | 55,000,000 | 55,000,000 |
| Statutory reserve | 15 | 1,894,903,641 | 1,693,914,189 |
| Other reserves | 16 | 3,575,040,000 | 3,125,040,000 |
| Retained earnings | 33 | 520,113,616 | 597,537,221 |
| **Total equity** | | 7,994,960,897 | 7,244,131,090 |
| **Total liabilities and Shareholders' equity** | | 61,746,085,773 | 60,278,612,883 |
| **OFF-BALANCE SHEET ITEMS** | | | |
| **Contingent liabilities** | 17.1 | | |
| Acceptances and endorsement | | - | - |
| Letter of guarantee | | - | - |
| Irrevocable letter of credits | | - | - |
| Bills for collection | | - | - |
| Other contingent liabilities | | - | - |
| **Total contingent liabilities** | | - | - |
| **Other commitments** | 17.2 | | |
| Documentary credit & short-term trade related transaction | | - | - |
| Forward assets purchased and forward deposit placed | | - | - |
| Undrawn note issuance and revolving underwriting facilities | | - | - |
| Undrawn formal standby facilities, credit lines and other commitments | | - | - |
| **Total other commitments** | | - | - |
| **Total Off-Balance Sheet items including contingent liabilities** | | - | - |

**Notes:**
1. Independent Auditor's Report-Page 1 to 8
2. The annexed notes 1 to 42 form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 28 March 2023 and were signed on its behalf by:

**Nasir A. Choudhury**
Chairman

**Dr. A M R Chowdhury**
Vice Chairman

**Nasimul Baten**
Managing Director & CEO

Dated, Dhaka
28 March 2023

**ACNABIN, Chartered Accountants**

**Muhammad Aminul Hoque, FCA**
Partner

### 3.3.1.1 Assets

An asset is something that the company owns and that is beneficial for the growth of the business. Assets can be classified based on convertibility, physical existence, and usage.

1. Convertibility: This describes whether the asset can be easily converted to cash. Based on convertibility, assets are further classified into current assets and fixed assets.

a. Current assets: Assets which can be easily converted into cash or cash equivalents within a duration of one year. Examples include short-term deposits, marketable securities, and stock.

b. Fixed assets: Assets which cannot be easily or readily converted to cash. For example, buildings, machinery, equipment, or trademarks.

2. Physical existence: Assets can be of two types, tangible and intangible.

a. Tangible assets: Assets which you can see and feel, like office supplies, machinery, equipment, and buildings.

b. Intangible assets: Assets which do not have physical existence, like patents, brands, and copyrights.

3. Usage: Assets can be classified as operating and non-operating assets.

a. Operating assets: Assets which are necessary to conduct business operations. For example, buildings, machinery, and equipment.
b. Non-operating assets: Short-term investments or marketable securities that are not necessary for daily operations.

#### 3.3.1.2 Liabilities

Liabilities are what the company owes to other parties. This includes debts and other financial obligations that arise as an outcome of business transactions. Companies settle their liabilities by paying them back in cash or providing an equivalent service to the other party. Liabilities are listed on the right side of the balance sheet.

Depending on context, liabilities can be classified as current and non-current.

a. Current liabilities: These include debts or obligations that have to be fulfilled within a year. Current liabilities are also called short-term assets, and they include accounts payable, interest payable, and short-term loans.

b. Non-current liabilities: These are debts or obligations for which the due date is more than a year. Non-current liabilities, also called long-term liabilities, include bonds payable, long-term notes payable, and deferred tax liabilities.

#### 3.3.1.3 Owner's Equity/ Earnings

Owner's equity is equal to total assets minus total liabilities. In other words, it is the amount that can be handed over to shareholders after the debts have been paid and the assets have been liquidated. Equity is one of the most common ways to represent the net value of the company. Part of shareholder's equity is retained earnings, which is a fixed percentage of the shareholder's equity that has to be paid as dividends.

The equity value can be positive or negative. If the shareholder's equity is positive, then the company has enough assets to pay off its liabilities. If it is negative, then liabilities exceed assets.

#### 3.3.1.4 Balance Sheet Equation

The balance sheet equation follows the accounting equation, where assets are on one side, liabilities and shareholder's equity are on the other side, and both sides balance out.

Assets = Liabilities + Shareholder's Equity

According to the equation, a company pays for what it owns (assets) by borrowing money as a service (liabilities) or taking from the shareholders or investors (equity).

### 3.3.2 Income Statement

An income statement is a financial statement that shows you the company's income and expenditures. It also shows whether a company is making profit or loss for a given period. The income statement, along with balance sheet and cash flow statement, helps you understand the financial health of your business. The income statement is also known as a profit and loss statement, statement of operation, statement of financial result or income, or earnings statement.

**DBH FINANCE PLC.**

**Profit and Loss Account**

**For the year ended 31 December 2022**

| | Notes | Amount in Taka | |
|---|---|---|---|
| | | 2022 | 2021 |
| Interest Income | 18 | 4,831,162,037 | 5,053,574,673 |
| Interest paid on deposits and borrowings etc. | 19 | (3,045,375,756) | (2,889,901,976) |
| **Net Interest Income** | | **1,785,786,281** | **2,163,672,697** |
| Income from investment | 20 | 145,220,701 | 125,111,081 |
| Commission, exchange and brokerage | 21 | 182,889,368 | 177,520,507 |
| Other operating income | 22 | 20,733,705 | 16,469,035 |
| **Total operating income** | | **2,134,630,055** | **2,482,773,320** |
| Salary and allowances | 23 | 377,439,782 | 364,346,554 |
| Rent, taxes, insurance, electricity etc. | 24 | 35,613,730 | 37,625,863 |
| Legal & professional expenses | 25 | 17,808,124 | 15,777,000 |
| Postage, stamp, telecommunication etc. | 26 | 8,428,116 | 8,673,069 |
| Stationery, printing, advertisements etc. | 27 | 19,997,884 | 11,309,741 |
| Managing Director's salary and fees | 27.1 | 13,000,000 | 13,000,000 |
| Directors' fees and expenses | 28 | 956,075 | 1,069,840 |
| Auditor's fees | 29 | 575,000 | 546,250 |
| Depreciation, repairs & maintenance | 30 | 70,854,191 | 66,127,992 |
| Other expenses | 31 | 65,789,218 | 46,651,883 |
| **Total operating expenses** | | **610,462,120** | **565,128,192** |
| **Profit before provisions** | | **1,524,167,935** | **1,917,645,128** |
| Provisions: | | | |
| Loans and advances | 12.1.A | (164,278,158) | 226,288,475 |
| Diminution in value of investments | 12.1.3 | 105,946,283 | (33,795,686) |
| Other Assets | | 2,239,804 | 4,107,129 |
| **Total provisions** | | **(56,092,071)** | **196,599,918** |
| **Profit before tax** | | **1,580,260,006** | **1,721,045,210** |
| Provision for tax: | 32 | | |
| Current tax | | 563,325,906 | 691,404,197 |
| Deferred tax expense/(income) | | 208,341 | (14,247,960) |
| | | 563,534,247 | 677,156,237 |
| **Profit after tax** | | **1,016,725,759** | **1,043,888,973** |
| **Appropriations** | | | |
| Statutory reserve | | 200,989,452 | 207,488,378 |
| General reserve | | 450,000,000 | 300,000,000 |
| | | 650,989,452 | 507,488,378 |
| **Retained surplus** | | **365,736,307** | **536,400,595** |
| **Earnings Per Share** | 34 | **5.21** | **5.35** |

**Notes:**
1. Independent Auditor's Report-Page 1 to 8
2. The annexed notes 1 to 42 form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 28 March 2023 and were signed on its behalf by:

**Nasir A. Choudhury**
Chairman

**Dr. A M R Chowdhury**
Vice Chairman

**Nasimul Baten**
Managing Director & CEO

Dated, Dhaka
28 March 2023

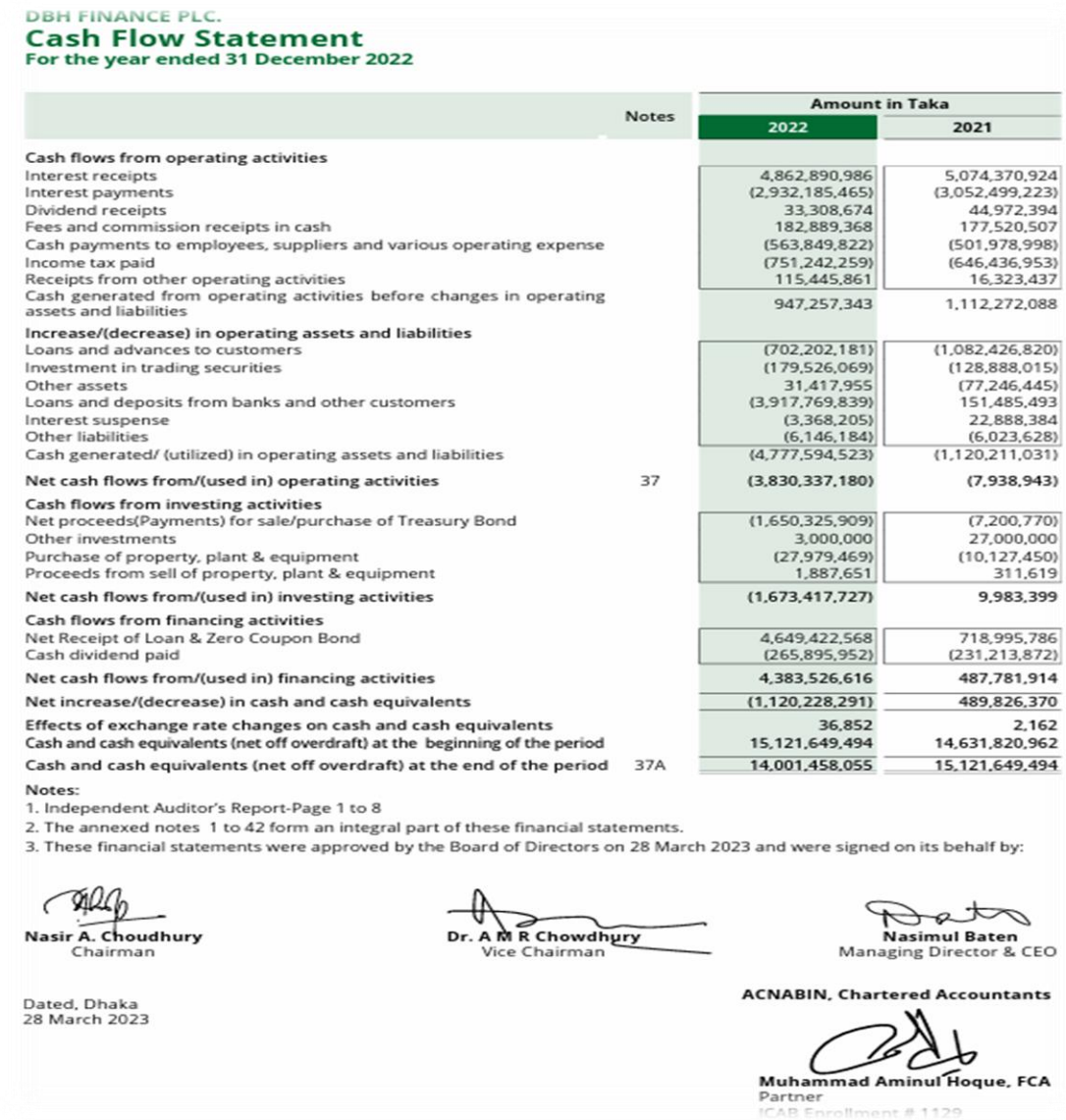
**ACNABIN, Chartered Accountants**

**Muhammad Aminul Hoque, FCA**
Partner
ICAB Enrollment # 1129

### 3.3.3 Cash Flow Statement

A cash flow statement is an important tool used to manage finances by tracking the cash flow for DBH Finance PLC. . This statement is one of the three key reports (with the income statement and the balance sheet) that help in determining this company's performance. It is usually helpful for making cash forecast to enable short term planning. The cash flow statement shows the source of cash and helps us to monitor incoming and outgoing money. Incoming cash for a business comes from operating activities, investing activities and financial activities. The statement also informs about cash outflows, expenses paid for business activities and investment

at a given point in time. The information that we get from the cash flow statement is beneficial for the management to take informed decisions for regulating business operations. Companies generally aim for a positive cash flow for their business operations without which this company may have to borrow money to keep the business going.



DBH FINANCE PLC.

**Cash Flow Statement**

**For the year ended 31 December 2022**

| | Notes | Amount in Taka | |
|---|---|---|---|
| | | 2022 | 2021 |
| **Cash flows from operating activities** | | | |
| Interest receipts | | 4,862,890,986 | 5,074,370,924 |
| Interest payments | | (2,932,185,465) | (3,052,499,223) |
| Dividend receipts | | 33,308,674 | 44,972,394 |
| Fees and commission receipts in cash | | 182,889,368 | 177,520,507 |
| Cash payments to employees, suppliers and various operating expense | | (563,849,822) | (501,978,998) |
| Income tax paid | | (751,242,259) | (646,436,953) |
| Receipts from other operating activities | | 115,445,861 | 16,323,437 |
| Cash generated from operating activities before changes in operating assets and liabilities | | 947,257,343 | 1,112,272,088 |
| **Increase/(decrease) in operating assets and liabilities** | | | |
| Loans and advances to customers | | (702,202,181) | (1,082,426,820) |
| Investment in trading securities | | (179,526,069) | (128,888,015) |
| Other assets | | 31,417,955 | (77,246,445) |
| Loans and deposits from banks and other customers | | (3,917,769,839) | 151,485,493 |
| Interest suspense | | (3,368,205) | 22,888,384 |
| Other liabilities | | (6,146,184) | (6,023,628) |
| Cash generated/ (utilized) in operating assets and liabilities | | (4,777,594,523) | (1,120,211,031) |
| **Net cash flows from/(used in) operating activities** | 37 | **(3,830,337,180)** | **(7,938,943)** |
| **Cash flows from investing activities** | | | |
| Net proceeds(Payments) for sale/purchase of Treasury Bond | | (1,650,325,909) | (7,200,770) |
| Other investments | | 3,000,000 | 27,000,000 |
| Purchase of property, plant & equipment | | (27,979,469) | (10,127,450) |
| Proceeds from sell of property, plant & equipment | | 1,887,651 | 311,619 |
| **Net cash flows from/(used in) investing activities** | | **(1,673,417,727)** | **9,983,399** |
| **Cash flows from financing activities** | | | |
| Net Receipt of Loan & Zero Coupon Bond | | 4,649,422,568 | 718,995,786 |
| Cash dividend paid | | (265,895,952) | (231,213,872) |
| **Net cash flows from/(used in) financing activities** | | **4,383,526,616** | **487,781,914** |
| **Net increase/(decrease) in cash and cash equivalents** | | **(1,120,228,291)** | **489,826,370** |
| **Effects of exchange rate changes on cash and cash equivalents** | | **36,852** | **2,162** |
| **Cash and cash equivalents (net off overdraft) at the beginning of the period** | | **15,121,649,494** | **14,631,820,962** |
| **Cash and cash equivalents (net off overdraft) at the end of the period** | 37A | **14,001,458,055** | **15,121,649,494** |

**Notes:**

1. Independent Auditor's Report-Page 1 to 8
2. The annexed notes 1 to 42 form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 28 March 2023 and were signed on its behalf by:

**Nasir A. Choudhury**
Chairman

**Dr. A M R Chowdhury**
Vice Chairman

**Nasimul Baten**
Managing Director & CEO

Dated, Dhaka
28 March 2023

**ACNABIN, Chartered Accountants**

**Muhammad Aminul Hoque, FCA**
Partner
ICAB Enrollment # 1129

## 3.4 Annual Reports theories that supporting my project report

My project basically prepared on these three theories. With the help of them I prepared this whole report.

# Chapter:04

## Analysis of the study

## 4.1 Introduction

DBH Finance PLC. started their journey in 1997 with a aim to ensure an depositor or loaner to be the owner of a home. Since that time they tried their level best to be the best in this sector. Their contribution is being recognized by Bangladesh Bank by giving them a title of "AAA" credit rating financial institute. They provide financial reports to their interested parties time to time by quarterly basis and with an annual report by the end of 4$^{th}$ quarter of every year. They try to maintain all related IAS and IFRS standards, so that their transaction records are being clear to the interested parties who use their financial statements. By analyzing their records I found that they are in good condition to compete with other non banking institutes.

## 4.2 Accounting Standards Applied in DBH

Since 1997 DBH Finance PLC. trying their level best to follow the accounting standards in their organization for attracting investors to invest in their organization. These are the some accounting standard which followed DBH Finance PLC. in their organization:

| IAS | Name | Status |
|---|---|---|
| **IAS 01** | Presentation of Financial Statements | ** |
| **IAS 02** | Inventories | N/A |
| **IAS 07** | Statement of Cash Flows | ** |
| **IAS 08** | Accounting Policies, Changes in Accounting Estimates and Errors | Applied |
| **IAS 10** | Events After the Reporting Period | Applied |
| **IAS 12** | Income Taxes | Applied |
| **IAS 16** | Property, Plant and Equipment | Applied |
| **IAS 19** | Employee Benefits (1998)<br>Superseded by IAS 19 (2011) effective 1 January 2013 | Applied |
| **IAS 20** | Accounting for Government Grants and Disclosure of Government Assistance | N/A |
| **IAS 21** | The Effects of Changes in Foreign Exchange Rates | Applied |
| **IAS 23** | Borrowing Costs | N/A |
| **IAS 24** | Related Party Disclosures | Applied |
| **IAS 26** | Accounting and Reporting by Retirement Benefit Plans | N/A |
| **IAS 27** | Separate Financial Statements (2011) | N/A |
| **IAS 28** | Investments in Associates and Joint Ventures (2011) | N/A |
| **IAS 29** | Financial Reporting in Hyperinflationary Economies | N/A |
| **IAS 32** | Financial Instruments: Presentation | ** |
| **IAS 33** | Earnings Per Share | Applied |
| **IAS 34** | Interim Financial Reporting | Applied |
| **IAS 36** | Impairment of Assets | Applied |
| **IAS 37** | Provisions, Contingent Liabilities and Contingent Assets | Applied |
| **IAS 38** | Intangible Assets | Applied |
| **IAS 40** | Investment Property | N/A |
| **IAS 41** | Agriculture | N/A |

** DBH management has followed the principles of IAS & IFRS consistently in the preparation of the financial statements to that extent as applicable to the financial institution. Some of the standards have not been complied with, about which Bangladesh Bank has special guideline.

N/A = Not applicable

**Tab. 3: IAS Standards followed in DBH Finance PLC.**

| IFRS | Name | Status |
|---|---|---|
| **IFRS 01** | First-time Adoption of International Financial Reporting Standards | N/A |
| **IFRS 02** | Share-based Payment | N/A |
| **IFRS 03** | Business Combinations | N/A |
| **IFRS 04** | Insurance Contracts<br>Superseded in 2023 by IFRS 17 | N/A |
| **IFRS 05** | Non-current Assets Held for Sale and Discontinued Operations | N/A |
| **IFRS 06** | Exploration for and Evaluation of Mineral Resources | N/A |
| **IFRS 07** | Financial Instruments: Disclosures | ** |
| **IFRS 08** | Operating Segments | N/A |
| **IFRS 09** | Financial Instruments | ** |
| **IFRS 10** | Consolidated Financial Statements | N/A |
| **IFRS 11** | Joint Arrangements | N/A |
| **IFRS 12** | Disclosure of Interests in Other Entities | N/A |
| **IFRS 13** | Fair Value Measurement | Applied |
| **IFRS 14** | Regulatory Deferral Accounts | N/A |
| **IFRS 15** | Revenue from Contracts with Customers | Applied |
| **IFRS 16** | Leases | Applied |

** DBH management has followed the principles of IAS & IFRS consistently in the preparation of the financial statements to that extent as applicable to the financial institution. Some of the standards have not been complied with, about which Bangladesh Bank has special guideline.

N/A = Not applicable

**Tab. 3: IFRS Standards followed in DBH Finance PLC.**

### 4.2.1 Financial Statement

DBH always try to maintain a good financial statement by following a IAS and IFRS. There are many experienced management team who also take some responsibilities to make them as desired as investors or other interested persons need.

#### 4.2.1.1 Balance Sheet

Here given bellow 3rd quarter of 2023 of DBH's balance sheet is being shown:

## Balance Sheet (Unaudited)

## As at 30 September 2023

| Particulars | 30 September 2023<br>Amount (Tk) |
|---|---|

| | |
|---|---|
| **PROPERTY AND ASSETS** | |
| **Cash** | **596,197,171** |
| In hand | 89,659 |
| Balance with Bangladesh Bank and its agent bank | 596,107,512 |
| **Balance with other banks and financial institutions** | **20,990,311,725** |
| In Bangladesh | 20,990,311,725 |
| Outside Bangladesh | - |
| Money at call on short notice | - |
| **Investments** | **2,541,320,219** |
| Government | 1,656,210,215 |
| Others | 885,110,004 |
| Loans and advances | 43,255,135,468 |
| Fixed assets including land, building, furniture & equipment | 287,543,249 |
| Other assets | 435,780,854 |
| **Total assets** | **68,106,288,686** |
| **LIABILITIES AND CAPITAL** | |
| **LIABILITIES** | |
| Borrowings from other banks, financial institutions and agents | 10,182,112,983 |
| Deposits and other accounts: Fixed deposits | 46,811,928,415 |
| Other liabilities | 2,681,562,047 |
| **Total liabilities** | **59,675,603,445** |
| **SHAREHOLDERS' EQUITY** | |
| Paid-up capital | 1,988,901,710 |
| Share premium | 55,000,000 |

| | |
|---|---|
| Statutory reserve | 1,933,901,711 |
| Other reserves | 3,575,040,000 |
| Retained earnings | 877,841,820 |
| **Total shareholders' equity** | **8,430,685,241** |
| **Total liabilities and shareholders' equity** | **68,106,288,686** |

This balance sheet is being prepared by following financial statement of DBH provided in their website.

### 4.2.1.2 Income Statement

Here given bellow 3rd quarter of 2023 of DBH's income statement is being shown:

## Income Statement (Unaudited)

## For the quarter ended 30 September 2023

| Particulars | Jan to Sep '23<br>Taka |
|---|---|
| Interest income | 4,406,631,317 |
| Interest paid on deposits and borrowings, etc. | 3,046,014,232 |
| **Net interest income** | **1,360,617,085** |
| Income from investment | 111,727,694 |
| Commission, exchange & brokerage | 120,883,273 |
| Other operating income | 15,267,270 |
| **Total operating income** | **1,608,495,322** |

| | |
|---|---|
| Salary and allowances | 310,694,347 |
| Rent, taxes, insurance, electricity, etc. | 20,217,164 |
| Legal & professional expenses | 15,315,990 |
| Postage, stamp, telecommunication, etc. | 6,132,235 |
| Stationery, printing, advertisements, etc. | 11,317,272 |
| Managing director's salary and fees | 10,300,000 |
| Directors' fees and expenses | 717,636 |
| Auditors' fees | 431,250 |
| Depreciation, repair & maintenance | 53,823,498 |
| Other expenses | 54,692,538 |
| **Total operating expenses** | **483,641,930** |
| **Profit before provisions** | **1,124,853,392** |
| Provision for | |
| Loans and advances | (26,211,694) |
| Provision for other assets | - |
| Diminution in value of investment | 3,968,531 |
| Total provisions | (22,243,163) |
| **Profit before tax** | **1,147,096,55** |
| Provision for tax | |
| Current | 420,011,973 |
| Deferred | (1,125,307) |
| | 418,886,666 |
| **Profit after tax** | **728,209,889** |

**Appropriation**

| | |
|---|---|
| Statutory reserve | 38,998,070 |
| Dividend on preference shares | - |
| Total appropriations | 38,998,070 |
| Retained surplus | 689,211,816 |
| Earnings Per Share(Restated) | 3.66 |

This income statement is being prepared by following financial statement of DBH provided in their website.

### 4.2.1.2Cash Flow Statement

Here given bellow 3rd quarter of 2023 of DBH's cash flow statement is being shown:

**Cash flow statement (Unaudited)**

**For the quarter ended 30 September 2023**

| Particulars | Jan to Sep '23<br>Amount (TK.) |
|---|---|
| **Cash flows from operating activities** | |
| Interest receipts in cash | 4,333,724,333 |
| Interest payments | (2,890,191,201) |
| Dividend receipts | 18,909,422 |
| Fees and commission receipts in cash | 120,883,273 |
| Cash payments to employees, suppliers and various operating expense | (483,422,195) |
| Income tax paid | (354,487,726) |
| Receipts from other operating activities | 109,500,678 |
| **Cash generated/(utilized) from operating activities before changes in operating assets and liabilities** | **854,916,584** |

| | | |
|---|---|---|
| **Increase/(decrease) in operating assets and liabilities** | | |
| Loans and advances to customers | 1,279,568,615 | |
| Investment in trading securities | (25,364,909) | |
| Other assets | (237,235,105) | |
| Deposits from banks and other customers | 6,751,337,825 | |
| Interest suspense | (2,380,472) | |
| Other liabilities | (32,664,959) | |
| Cash generated/(utilized) from operating assets and liabilities | 7,733,260,995 | |
| **Net cash from operating activities** | **8,588,177,579** | |
| **Cash flows from investing activities** | | |
| Net Proceeds (payments) for sale/purchase of Treasury Bills | 2,356,786 | |
| Other investments | 3,000,000 | |
| Purchase of property, plant & equipment | (6,014,232) | |
| Proceeds from disposal of property, plant & equipment | 94,652 | |
| **Net cash generated/(used) from investing activities** | **(562,793)** | |
| **Cash flows from financing activities** | | |
| Cash dividend paid | (292,485,546) | |
| Net Receipt of Loan & Zero Coupon Bond | (894,495,029) | |
| **Net cash generated from financing activities** | **(1,186,980,575)** | |
| Net increase/(decrease) in cash and cash equivalents | 7,400,634,211 | |
| Effects of exchange rate changes on cash and cash equivalents | 15,950 | |
| **Cash and cash equivalents (net off overdraft) at the beginning of the period** | | **14,001,458,055** |
| **Cash and cash equivalents (net off overdraft) at the end of the period** | | **21,402,108,216** |
| **Net operating cash flow per share (Restated)** | | **43.18** |

This cash flow statement is being prepared by following financial statement of DBH provided in their website.

### 4.2.2 Ratios

A term that is used to compare two or more variables is known as ratio. To understand DBH Finance PLC.'s financial performance here shown bellow some ratios:

#### 4.2.2.1 Current Ratio

| DBH | BFL | IPDC | LankaBangla |
|---|---|---|---|
| 5.27 | 2.71 | 3.87 | 2.31 |

**Tab. 4: Current Ratio Comparison with other Non-Banking Institute**

By considering total assets except fixed assets as current asset and total liabilities except fixed deposit as current liabilities. And these current assets and current liabilities division as Current Ratio. As we know if current ratio is more than 2 is consider good for that company. In comparing with other non-banking financial institute DBH shown a good grade to comparing.

#### 4.2.2.2 Profit Margin

| DBH | BFL | IPDC | LankaBangla |
|---|---|---|---|
| 45.28% | 22.53% | 8.68% | 6.76% |

**Tab. 5: Gross Profit Comparison with other Non-Banking Institute**

PM calculation is being done by this formula: Net profit after tax divided by Total Operating Income. And as we know 20% or more than of any amount is good for a company. From that basis we can say that BFL and DBH is in good condition.

#### 4.2.2.3 Asset Turnover Ratio

| DBH | BFL | IPDC | LankaBangla |
|---|---|---|---|
| 0.025 | 0.019 | 0.024 | 0.035 |

**Tab. 6: ATR Comparison with other Non-Banking Institute**

The asset turnover ratio is calculated by dividing Total operating income by the average total assets. In this case I LankaBangla show good asset turnover ratio. As we know 2.5 or more is good rate in this case.

#### 4.2.2.4 Debt to Equity Ratio

| DBH | BFL | IPDC | LankaBangla |
|---|---|---|---|
| 7.07 | 4.90 | 12.27 | 8.28 |

**Tab. 7: Debt to Equity Comparison with other Non-Banking Institute**

In DER comparison DBH show a moderate result.

### 4.2.3 Comparing with other Non-Banking institute

In Bangladesh there are 36 Non Banking institute. DBH Finance PLC. is one of the leading of them. For understanding my report here bellows some Non Banking Institute's comparison is being shown basis on some important factors:

#### 4.2.3.1 Total Assets

The sum of the book values of all assets owned by an individual, company, or organization is known as total assets. Here are some comparisons:

| DBH | BFL | IPDC | LankaBangla |
|---|---|---|---|
| 68,106,288,686 | 19,169,180,494 | 86,697,758,474 | 93,814,625,264 |

**Tab. 8: Total Asset Comparison with other Non-Banking Institute**

By comparing, found that in this quarter they have quite good amount of assets with fixed assets including land, building, furniture & equipment 287,543,249 taka.

#### 4.2.3.2 Profit

Profit or PAT, refers to the profit amount the company retains after meeting all its operational and non-operational expenses, liabilities, and taxes. Here are some comparisons:

| DBH | BFL | IPDC | LankaBangla |
|---|---|---|---|
| 728,209,889 | 180,455,383 | 70,399,750 | 216,500,346 |

**Tab. 9: Profit Comparison with other Non-Banking Institute**

In this comparison we show that DBH profited more than other companies.

#### 4.2.3.3 Net off Overdraft

Here are some comparisons:

| DBH | BFL | IPDC | LankaBangla |
|---|---|---|---|
| 21,402,108,216 | 10,995,876,704 | 1,553,891,386 | 11,611,089,634 |

**Tab. 10: Net off Overdraft with other Non-Banking Institute**

In this comparison we show that DBH performed well than others.

### 4.2.4 Timeline Comparison of DBH Finance PLC.

In timeline comparison DBH Finance PLC.'s balance sheet, income statement and cash flow statement will be shown with previous year data. So that we can understand the fact and other things clearly.

#### 4.2.4.1 Balance Sheet

## Balance Sheet (Unaudited)
As at 30 September 2023

| Particulars | 30 September 2023 Amount (TK) | 31 December 2022 Amount (TK) |
|---|---|---|
| **PROPERTY AND ASSETS** | | |
| **Cash** | 596,197,171 | 575,264,085 |
| In hand | 89,659 | 99,203 |
| Balance with Bangladesh Bank and its agent bank | 596,107,512 | 575,164,882 |
| **Balance with other banks and financial institutions** | 20,990,311,725 | 11,018,065,981 |
| In Bangladesh | 20,990,311,725 | 11,018,065,981 |
| Outside Bangladesh | - | - |
| **Money at call on short notice** | - | 2,700,000,000 |
| **Investments** | 2,541,320,219 | 2,516,950,591 |
| Government | 1,656,210,215 | 1,658,567,002 |
| Others | 885,110,004 | 858,383,589 |
| Loans and advances | 43,255,135,468 | 44,535,972,899 |
| Fixed assets including land, building, furniture & equipment | 287,543,249 | 254,482,380 |
| Other assets | 435,780,854 | 145,349,837 |
| **Total assets** | **68,106,288,686** | **61,746,085,773** |
| **LIABILITIES AND CAPITAL** | | |
| **LIABILITIES** | | |
| Borrowings from other banks, financial institutions and agents | 10,182,112,983 | 11,080,141,587 |
| Deposits and other accounts: Fixed deposits | 46,811,928,415 | 40,060,590,590 |
| Other liabilities | 2,681,562,047 | 2,610,392,699 |
| **Total liabilities** | **59,675,603,445** | **53,751,124,876** |
| **SHAREHOLDERS' EQUITY** | | |
| Paid-up capital | 1,988,901,710 | 1,949,903,640 |
| Share premium | 55,000,000 | 55,000,000 |
| Statutory reserve | 1,933,901,711 | 1,894,903,641 |
| Other reserves | 3,575,040,000 | 3,575,040,000 |
| Retained earnings | 877,841,820 | 520,113,616 |
| **Total shareholders' equity** | **8,430,685,241** | **7,994,960,897** |
| **Total liabilities and shareholders' equity** | **68,106,288,686** | **61,746,085,773** |

### 4.2.4.2 Income Statement

## Income Statement (Unaudited)
For the quarter ended 30 September 2023

| Particulars | Jan to Sep '23 Taka | Jan to Sep '22 Taka | Jul to Sep '23 Taka | Jul to Sep '22 Taka |
|---|---|---|---|---|
| Interest income | 4,406,631,317 | 3,592,905,864 | 1,575,882,656 | 1,204,156,604 |
| Interest paid on deposits and borrowings, etc. | 3,046,014,232 | 2,237,655,101 | 1,118,256,153 | 782,779,981 |
| **Net interest income** | **1,360,617,085** | **1,355,250,763** | **457,626,503** | **421,376,623** |
| Income from investment | 111,727,694 | 101,990,090 | 42,368,090 | 62,412,597 |
| Commission, exchange & brokerage | 120,883,273 | 135,094,509 | 34,208,767 | 42,567,308 |
| Other operating income | 15,267,270 | 16,267,319 | 5,224,312 | 3,895,452 |
| **Total operating income** | **1,608,495,322** | **1,608,602,681** | **539,427,672** | **530,251,980** |
| Salary and allowances | 310,694,347 | 284,968,473 | 93,501,642 | 89,498,008 |
| Rent, taxes, insurance, electricity, etc. | 20,217,164 | 27,093,431 | 5,824,926 | 9,163,335 |
| Legal & professional expenses | 15,315,990 | 13,093,601 | 3,181,452 | 2,781,703 |
| Postage, stamp, telecommunication, etc. | 6,132,235 | 6,401,759 | 2,158,113 | 2,149,236 |
| Stationery, printing, advertisements, etc. | 11,317,272 | 13,164,870 | 2,793,075 | 2,879,961 |
| Managing director's salary and fees | 10,300,000 | 10,300,000 | 2,700,000 | 2,700,000 |
| Directors' fees and expenses | 717,636 | 722,758 | 241,582 | 241,568 |
| Auditors' fees | 431,250 | 431,250 | 143,750 | 109,250 |
| Depreciation, repair & maintenance | 53,823,498 | 53,727,111 | 19,568,543 | 17,180,556 |
| Other expenses | 54,692,538 | 47,034,704 | 16,671,269 | 15,474,936 |
| **Total operating expenses** | **483,641,930** | **456,937,957** | **146,784,352** | **142,178,553** |
| **Profit before provisions** | **1,124,853,392** | **1,151,664,724** | **392,643,320** | **388,073,427** |
| Provision for | | | | |
| Loans and advances | (26,211,694) | (137,615,430) | 3,039,786 | (11,752,530) |
| Provision for other assets | - | - | (309,435) | - |
| Diminution in value of investment | 3,968,531 | 77,860,650 | 6,628,879 | 20,468,300 |
| Total provisions | (22,243,163) | (59,754,780) | 9,359,230 | 8,715,770 |
| **Profit before tax** | **1,147,096,555** | **1,211,419,504** | **383,284,090** | **379,357,657** |
| Provision for tax | | | | |
| Current | 420,011,973 | 424,531,369 | 145,840,811 | 141,198,771 |
| Deferred | (1,125,307) | 251,369 | (740,808) | 392,085 |
| | 418,886,666 | 424,782,738 | 145,100,003 | 141,590,856 |
| **Profit after tax** | **728,209,889** | **786,636,766** | **238,184,087** | **237,766,801** |

### 4.2.4.3 Cash Flow Statement

## Cash flow statement (Unaudited)
For the quarter ended 30 September 2023

| Particulars | Jan to Sep '23 Amount (TK.) | Jan to Sep '22 Amount (TK.) |
|---|---|---|
| **Cash flows from operating activities** | | |
| Interest receipts in cash | 4,333,724,333 | 3,616,134,269 |
| Interest payments | (2,890,191,201) | (2,252,910,807) |
| Dividend receipts | 18,909,422 | 31,708,431 |
| Fees and commission receipts in cash | 120,883,273 | 135,094,509 |
| Cash payments to employees, suppliers and various operating expense | (483,422,195) | (445,280,945) |
| Income tax paid | (354,487,726) | (532,151,643) |
| Receipts from other operating activities | 109,500,678 | 71,080,974 |
| **Cash generated/(utilized) from operating activities before changes in operating assets and liabilities** | 854,916,584 | 623,674,788 |
| **Increase/(decrease) in operating assets and liabilities** | | |
| Loans and advances to customers | 1,279,568,615 | (283,167,589) |
| Investment in trading securities | (25,364,909) | (164,011,190) |
| Other assets | (237,235,105) | (76,123,472) |
| Deposits from banks and other customers | 6,751,337,825 | (5,925,020,125) |
| Interest suspense | (2,380,472) | (726,111) |
| Other liabilities | (32,664,959) | (10,887,472) |
| Cash generated/(utilized) from operating assets and liabilities | 7,733,260,995 | (6,459,935,959) |
| **Net cash from operating activities** | **8,588,177,579** | **(5,836,261,171)** |
| **Cash flows from investing activities** | | |
| Net Proceeds (payments) for sale/purchase of Treasury Bills | 2,356,786 | (1,864,605,150) |
| Other investments | 3,000,000 | 1,000,000 |
| Purchase of property, plant & equipment | (6,014,232) | (26,358,862) |
| Proceeds from disposal of property, plant & equipment | 94,652 | 1,795,304 |
| **Net cash generated/(used) from investing activities** | **(562,793)** | **(1,888,168,708)** |
| **Cash flows from financing activities** | | |
| Cash dividend paid | (292,485,546) | (265,895,952) |
| Net Receipt of Loan & Zero Coupon Bond | (894,495,029) | 5,854,627,876 |
| **Net cash generated from financing activities** | **(1,186,980,575)** | **5,588,731,924** |
| **Net increase/(decrease) in cash and cash equivalents** | **7,400,634,211** | **(2,135,697,955)** |
| Effects of exchange rate changes on cash and cash equivalents | 15,950 | 34,618 |
| **Cash and cash equivalents (net off overdraft) at the beginning of the period** | 14,001,458,055 | 15,121,649,494 |
| **Cash and cash equivalents (net off overdraft) at the end of the period** | **21,402,108,216** | **12,985,986,157** |
| **Net operating cash flow per share (Restated)** | **43.18** | **(29.34)** |

## 4.3 Summary of the analysis

By analyzing DBH Finance PLC.'s Financial Performance can be described as moderate. It's one of the most renowned Non-Banking Institute in Bangladesh. Operating it's activities since 1997. It's total asset is 68,106,288,686 Taka from where fixed assets including building, land and other's is 287,543,249 Taka and cash in hand is 89,659 Taka. That shows a very good amount for running a business like this type of organization. In this quarter it's profit was 728,209,889 Taka and Net off Overdraft is 21, 40,108,216 Taka. In some cases it's comparison with other Non-Banking Institute like IPDC, BFL and LankaBangla is showing some weak point. But it was based on the 3rd quarter of those organizations as well. So by the April when their Annual Report will be published we can see a good comparison with them if DBH's management team work dedicatedlyto cope up with the upcoming situation and also try to maintain this type of record as well and in some cases DBH need to improve them.

# Chapter:05

## Findings

## 5.1 Summery of analysis according to study objectives

DBH Finance PLC. is showing a good amount of profit than other non-banking institute. It's debt to equity ratio says a good average. And it's liability condition is also in a good condition. In some cases DBH's management team need to improve. But most of the record shown in this report is go to the favor of DBH Finance PLC. DBH Finance PLC. got award from NBR for paying highest tax in non-banking sector. Which show that they are not try to work with legal any legal obligations as well. So it's a plus point for DBH to be flourishing. Recent data that total asset is 68,106,288,686 Taka from where fixed assets including building, land and others are 287,543,249 Taka and cash in hand is 89,659 Taka. And its profit was 728,209,889 Taka and Net off Overdraft is 21, 40,108,216 Taka. That shows us that they are in very good situation than other organization like in this sector. If we look at timeline analysis(Chapter 4) the Asset, Liability, Shareholders Equity and Net Off amount are increased whereas Profit are being in decreasing situation. If we consider it from a Business Analyst perspective it's really a matter of concern.

## 5.2 Specific findings based on analysis

By analyzing (Chapter 4) I had found some specific findings which I had given bellow:

### 5.2.1 Ratio Based Findings

If we look at this following bar chart based on the ratios from chapter 4 of this report we show a very good scenario of condition of the financial performance of that Non Banking Institute. Where DBH's condition is slightly down than LankaBangla and IPDC in DER basis. But in next quarter there will be a balance result will be shown according to my assumption.

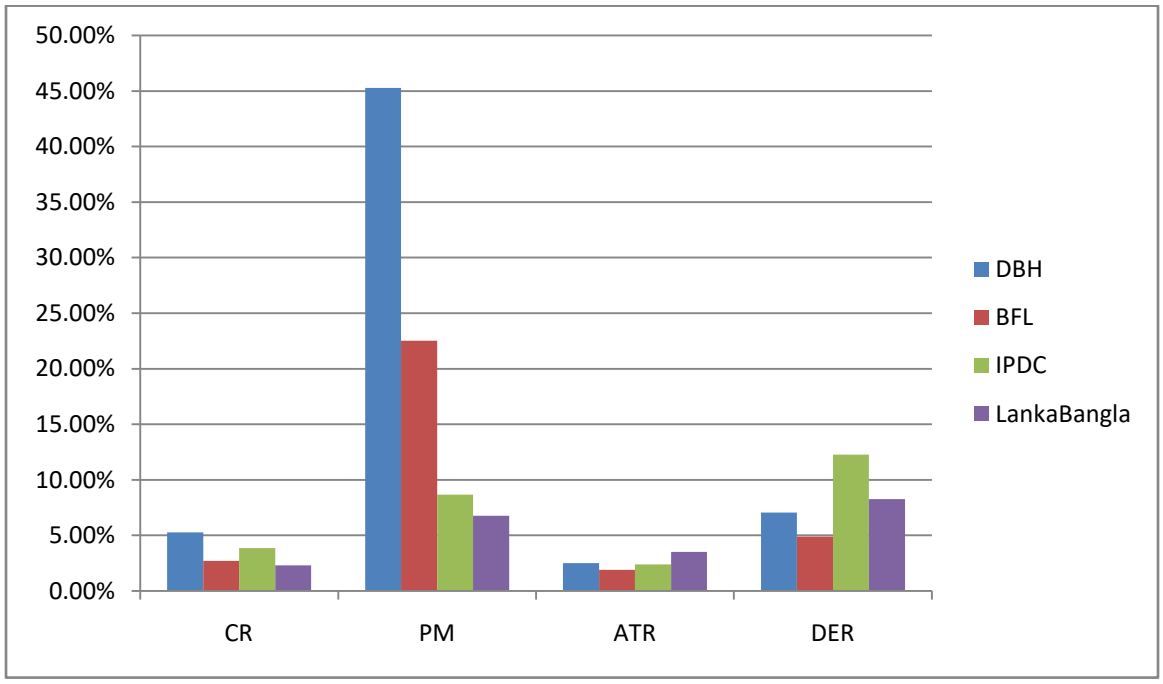


**Fig. 4: Comparison chart on basis of Current Ratio, Profit Margin, Asset Turnover Ratio and Debt to Equity Ratio.**

### 5.2.2 Trend Percentage

By trend percentage we need previous year some data and also current year data. For specifically understanding the fact we consider DBH's profit's trend analysis:

| 2023(Q3) | 2022 | 2021 | 2020 |
|---|---|---|---|
| 728,209,889 | 1,016,725,759 | 1,043,888,973 | 890,925,410 |

**Tab. 11: Profit Trend Percentage of DBH Finance PLC.'s Tab. 1**

If we look at this chart we found that the profit amount are being decreasing. If we consider 2020's profit amount as base year then we found:

| 2023(Q3) | 2022 | 2021 | 2020 |
|---|---|---|---|
| 81.74% | 114.12% | 117.17% | 100% |

**Tab. 12: Profit Trend Percentage of DBH Finance PLC.'s Tab. 2**

From above finding we can say that profit earning trend of DBH is in downfall situation. But if we look at the investors or shareholder equity condition which is gradually increasing. And that's why it could be acceptable.

And if we look at asset trend percentage this following figure are shown:

| 2023(Q3) | 2022 | 2021 | 2020 |
|---|---|---|---|
| 68,106,288,686 | 61,746,085,773 | 60,278,612,883 | 58,607,015,867 |

**Tab. 11: Profit Trend Percentage of DBH Finance PLC.'s Tab. 1**

If we look at this chart we found that the asset amount are being increasing. If we consider 2020's profit amount as base year then we found:

| 2023(Q3) | 2022 | 2021 | 2020 |
|---|---|---|---|
| 116.20% | 105.36% | 103% | 100% |

So from this analysis we found that asset are increasing day by day. But it's a matter of concern that profit amount is decreasing also. In that case if the current asset are in a more liquidable it could be helpful for the company in case of emergency or other necessary situations.

### 5.2.3 Horizontal Analysis

From Chapter 4's Balance Sheet, Income Statement and Cash Flow Statement I had done each items of those statement's analysis. Which is given bellow:

| Balance Sheet (Unaudited) | | | Horizontal Analysis | | |
|---|---|---|---|---|---|
| As at 30 September 2023 | | | | | |
| Particulars | 30 September 2023 Amount (TK) | 31 December 2022 Amount (TK) | Particulars | 30 September 2023 Amount (TK) | 31 December 2022 Amount (TK) |
| **PROPERTY AND ASSETS** | | | **PROPERTY AND ASSETS** | | |
| **Cash** | 596,197,171 | 575,264,085 | **Cash** | 104% | 100% |
| In hand | 89,659 | 99,203 | In hand | 90% | 100% |
| Balance with Bangladesh Bank and its agent bank | 596,107,512 | 575,164,882 | Balance with Bangladesh Bank and its agent bank | 104% | 100% |
| | | | | | |
| **Balance with other banks and financial institutions** | 20,990,311,725 | 11,018,065,981 | **Balance with other banks and financial institutions** | 191% | 100% |
| In Bangladesh | 20,990,311,725 | 11,018,065,981 | In Bangladesh | 191% | 100% |
| Outside Bangladesh | 0 | 0 | Outside Bangladesh | | |
| | | | | | |
| **Money at call on short notice** | 0 | 2,700,000,000 | **Money at call on short notice** | 0% | 100% |
| Investments | 2,541,320,219 | 2,516,950,591 | Investments | 101% | 100% |
| Government | 1,656,210,215 | 1,658,567,002 | Government | 100% | 100% |
| Others | 885,110,004 | 858,383,589 | Others | 103% | 100% |
| Loans and advances | 43,255,135,468 | 44,535,972,899 | Loans and advances | 97% | 100% |
| Fixed assets including land, building, furniture & equipment | 287,543,249 | 254,482,380 | Fixed assets including land, building, furniture & equipment | 113% | 100% |
| Other assets | 435,780,854 | 145,349,837 | Other assets | 300% | 100% |
| **Total assets** | 68,106,288,686 | 61,746,085,773 | **Total assets** | 110% | 100% |
| | | | | | |
| **LIABILITIES AND CAPITAL** | | | **LIABILITIES AND CAPITAL** | | |
| **LIABILITIES** | | | **LIABILITIES** | | |
| Borrowings from other banks, financial institutions and agents | 10,182,112,983 | 11,080,141,587 | Borrowings from other banks, financial institutions and agents | 92% | 100% |
| Deposits and other accounts: Fixed deposits | 46,811,928,415 | 40,060,590,590 | Deposits and other accounts: Fixed deposits | 117% | 100% |
| Other liabilities | 2,681,562,047 | 2,610,392,699 | Other liabilities | 103% | 100% |
| **Total liabilities** | 59,675,603,445 | 53,751,124,876 | **Total liabilities** | 111% | 100% |
| | | | | | |
| **SHAREHOLDERS' EQUITY** | | | **SHAREHOLDERS' EQUITY** | | |
| Paid-up capital | 1,988,901,710 | 1,949,903,640 | Paid-up capital | 102% | 100% |
| Share premium | 55,000,000 | 55,000,000 | Share premium | 100% | 100% |
| Statutory reserve | 1,933,901,711 | 1,894,903,641 | Statutory reserve | 102% | 100% |
| Other reserves | 3,575,040,000 | 3,575,040,000 | Other reserves | 100% | 100% |
| Retained earnings | 877,841,820 | 520,113,616 | Retained earnings | 169% | 100% |
| **Total shareholders' equity** | 8,430,685,241 | 7,994,960,897 | **Total shareholders' equity** | 105% | 100% |
| **Total liabilities and shareholders' equity** | 68,106,288,686 | 61,746,085,773 | **Total liabilities and shareholders' equity** | 110% | 100% |
| | | | | | |
| **OFF BALANCE SHEET ITEMS** | 0 | 0 | **OFF BALANCE SHEET ITEMS** | | |
| **Total off balance sheet items including contingent liabilities** | 0 | 0 | **Total off balance sheet items including contingent liabilities** | | |
| **Net Assets Value (NAV) per share (Restated)** | 42.39 | 40.2 | **Net Assets Value (NAV) per share (Restated)** | 105% | 100% |

| Income Statement (Unaudited) | | | | |
|---|---|---|---|---|
| As at 30 September 2023 | | | | |
| Particulars | Jan to Sep '23 Taka | Jan to Sep '22 Taka | Jul to Sep '23 Taka | Jul to Sep '22 Taka |
| Interest income | 4,406,631,317 | 3,592,905,864 | 1,575,882,656 | 1,204,156,604 |
| Interest paid on deposits and borrowings, etc. | 3,046,014,232 | 2,237,655,101 | 1,118,256,153 | 782,779,981 |
| **Net interest income** | 1,360,617,085 | 1,355,250,763 | 457,626,503 | 421,376,623 |
| Income from investment | 111,727,694 | 101,990,090 | 42,368,090 | 62,412,597 |
| Commission, exchange & brokerage | 120,883,273 | 135,094,509 | 34,208,767 | 42,567,308 |
| Other operating income | 15,267,270 | 16,267,319 | 5,224,312 | 3,895,452 |
| **Total operating income** | 1,608,495,322 | 1,608,602,681 | 539,427,672 | 530,251,980 |
| | | | | |
| Salary and allowances | 310,694,347 | 284,968,473 | 93,501,642 | 89,498,008 |
| Rent, taxes, insurance, electricity, etc. | 20,217,164 | 27,093,431 | 5,824,926 | 9,163,335 |
| Legal & professional expenses | 15,315,990 | 13,093,601 | 3,181,452 | 2,781,703 |
| Postage, stamp, telecommunication, etc. | 6,132,235 | 6,401,759 | 2,158,113 | 2,149,236 |
| Stationery, printing, advertisements, etc. | 11,317,272 | 13,164,870 | 2,793,075 | 2,879,961 |
| Managing director's salary and fees | 10,300,000 | 10,300,000 | 2,700,000 | 2,700,000 |
| Directors' fees and expenses | 717,636 | 722,758 | 241,582 | 241,568 |
| Auditors' fees | 431,250 | 431,250 | 143,750 | 109,250 |
| Depreciation, repair & maintenance | 53,823,498 | 53,727,111 | 19,568,543 | 17,180,556 |
| Other expenses | 54,692,538 | 47,034,704 | 16,671,269 | 15,474,936 |
| **Total operating expenses** | 483,641,930 | 456,937,957 | 146,784,352 | 142,178,553 |
| **Profit before provisions** | 1,124,853,392 | 1,151,664,724 | 392,643,320 | 388,073,427 |
| | | | | |
| Provision for Loans and advances | -26,211,694 | -137,615,430 | 3,039,786 | -11,752,530 |
| Provision for other assets | 0 | 0 | -309,435 | 0 |
| Diminution in value of investment | 3,968,531 | 77,860,650 | 6,628,879 | 20,468,300 |
| Total provisions | -22,243,163 | -59,754,780 | 9,359,230 | 8,715,770 |
| **Profit before tax** | 1,147,096,555 | 1,211,419,504 | 383,284,090 | 379,357,657 |
| Provision for tax | | | | |
| Current | 420,011,973 | 424,531,369 | 145,840,811 | 141,198,771 |
| Deferred | -1,125,307 | 251,369 | -740,808 | 392,085 |
| | 418,886,666 | 424,782,738 | 145,100,003 | 141590856 |
| **Profit after tax** | 728,209,889 | 786,636,766 | 238,184,087 | 237,766,801 |
| | | | | |
| **Appropriation** | | | | |
| Statutory reserve | 38,998,070 | 158,616,770 | 0 | 48,842,777 |
| Dividend on preference shares | 0 | 0 | 0 | 0 |
| Total appropriations | 38,998,070 | 158,616,770 | 0 | 48,842,777 |
| **Retained surplus** | 689,211,819 | 628,019,996 | 238,184,087 | 188,924,024 |
| **Earnings Per Share (Restated)** | 3.66 | 3.96 | 1.2 | 1.2 |

| Horizontal Analysis | | | |
|---|---|---|---|
| Particulars | Jan to Sep '23 Taka | Jan to Sep '22 Taka | Jul to Sep '23 Taka | Jul to Sep '22 Taka |
| Interest income | 266% | 198% | -31% | 100% |
| Interest paid on deposits and borrowings, etc. | 289% | 186% | -43% | 100% |
| **Net interest income** | 223% | 222% | -9% | 100% |
| Income from investment | 79% | 63% | 32% | 100% |
| Commission, exchange & brokerage | 184% | 217% | 20% | 100% |
| Other operating income | 292% | 318% | -34% | 100% |
| **Total operating income** | 203% | 203% | -2% | 100% |
| | | | | |
| Salary and allowances | 247% | 218% | -4% | 100% |
| Rent, taxes, insurance, electricity, etc. | 121% | 196% | 36% | 100% |
| Legal & professional expenses | 451% | 371% | -14% | 100% |
| Postage, stamp, telecommunication, etc. | 185% | 198% | 0% | 100% |
| Stationery, printing, advertisements, etc. | 293% | 357% | 3% | 100% |
| Managing director's salary and fees | 281% | 281% | 0% | 100% |
| Directors' fees and expenses | 197% | 199% | 0% | 100% |
| Auditors' fees | 295% | 295% | -32% | 100% |
| Depreciation, repair & maintenance | 213% | 213% | -14% | 100% |
| Other expenses | 253% | 204% | -8% | 100% |
| **Total operating expenses** | 240% | 221% | -3% | 100% |
| **Profit before provisions** | 190% | 197% | -1% | 100% |
| | | | | |
| Provision for Loans and advances | 123% | 1071% | 126% | 100% |
| Provision for other assets | | | | |
| Diminution in value of investment | -81% | 280% | 68% | 100% |
| Total provisions | -355% | -786% | -7% | 100% |
| **Profit before tax** | 202% | 219% | -1% | 100% |
| Provision for tax | | | | |
| Current | 197% | 201% | -3% | 100% |
| Deferred | -387% | -36% | 289% | 100% |
| | 196% | 200% | -2% | 100% |
| **Profit after tax** | 206% | 231% | 0% | 100% |
| | | | | |
| **Appropriation** | | | | |
| Statutory reserve | -20% | 225% | 100% | 100% |
| Dividend on preference shares | | | | |
| Total appropriations | -20% | 225% | 100% | 100% |
| **Retained surplus** | 265% | 232% | -26% | 100% |
| **Earnings Per Share (Restated)** | 205% | 230% | 0% | 100% |

| Cash flow statement (Unaudited) | | | | Horizontal Analysis | | |
|---|---|---|---|---|---|---|
| As at 30 September 2023 | | | | | | |
| Particulars | 30 September 2023 Amount (TK) | 31 December 2022 Amount (TK) | | Particulars | 30 September 2023 Amount (TK) | 31 December 2022 Amount (TK) |
| **Cash flows from operating activities** | | | | **Cash flows from operating activities** | | |
| Interest receipts in cash | 4,333,724,333 | 3,616,134,269 | | Interest receipts in cash | 119.84% | 100.00% |
| Interest payments | -2,890,191,201 | -2,252,910,807 | | Interest payments | 128% | 100.00% |
| Dividend receipts | 18,909,422 | 31,708,431 | | Dividend receipts | 59.64% | 100.00% |
| Fees and commission receipts in cash | 120,883,273 | 135,094,509 | | Fees and commission receipts in cash | 89.48% | 100.00% |
| Cash payments to employees, suppliers and various operating expense | -483,422,195 | -445,280,945 | | Cash payments to employees, suppliers and various operating expense | 108.57% | 100.00% |
| Income tax paid | -354,487,726 | -532,151,643 | | Income tax paid | 66.61% | 100.00% |
| Receipts from other operating activities | 109,500,678 | 71,080,974 | | Receipts from other operating activities | 154% | 100.00% |
| | | | | | | |
| **Cash generated/(utilized) from operating activities before changes in operating assets and liabilities** | 854,916,584 | 623,674,788 | | **Cash generated/(utilized) from operating activities before changes in operating assets and liabilities** | 137% | 100.00% |
| **Increase/(decrease) in operating assets and liabilities** | | | | **Increase/(decrease) in operating assets and liabilities** | | |
| Loans and advances to customers | 1,279,568,615 | -283,167,589 | | Loans and advances to customers | -451.88% | 100.00% |
| Investment in trading securities | -25,364,909 | -164,011,190 | | Investment in trading securities | 15.47% | 100.00% |
| Other assets | -237,235,105 | -76,123,472 | | Other assets | 312% | 100.00% |
| Deposits from banks and other customers | 6,751,337,825 | -5,925,020,125 | | Deposits from banks and other customers | -113.95% | 100.00% |
| Interest suspense | -2,380,472 | -726,111 | | Interest suspense | 327.84% | 100.00% |
| Other liabilities | -32,664,959 | -10,887,472 | | Other liabilities | 300.02% | 100.00% |
| Cash generated/(utilized) from operating assets and liabilities | 7,733,260,995 | -6,459,935,959 | | Cash generated/(utilized) from operating assets and liabilities | -119.71% | 100.00% |
| | | | | | | |
| **Net cash from operating activities** | 8,588,177,579 | -5,836,261,171 | | **Net cash from operating activities** | -147.15% | 100.00% |
| | | | | | | |
| **Cash flows from investing activities** | | | | **Cash flows from investing activities** | | |
| Net Proceeds (payments) for sale/purchase of Treasury Bills | 2,356,786 | -1,864,605,150 | | Net Proceeds (payments) for sale/purchase of Treasury Bills | -0.13% | 100.00% |
| Other investments | 3,000,000 | 1,000,000 | | Other investments | 300% | 100.00% |
| Purchase of property, plant & equipment | -6,014,232 | -26,358,862 | | Purchase of property, plant & equipment | 22.82% | 100.00% |
| Proceeds from disposal of property, plant & equipment | 94,652 | 1,795,304 | | Proceeds from disposal of property, plant & equipment | 5.27% | 100.00% |
| **Net cash generated/(used) from investing activities** | -562,793 | -1,888,168,708 | | **Net cash generated/(used) from investing activities** | 0.03% | 100.00% |
| | | | | | | |
| **Cash flows from financing activities** | | | | **Cash flows from financing activities** | | |
| Cash dividend paid | -292,485,546 | -265,895,952 | | Cash dividend paid | 110.00% | 100.00% |
| Net Receipt of Loan & Zero Coupon Bond | -894,495,029 | 5,854,627,876 | | Net Receipt of Loan & Zero Coupon Bond | -15.28% | 100.00% |
| **Net cash generated from financing activities** | -1,186,980,575 | 5,588,731,924 | | **Net cash generated from financing activities** | -21.24% | 100.00% |
| | | | | | | |
| **Net increase/(decrease) in cash and cash equivalents** | 7,400,634,211 | -2,135,697,955 | | **Net increase/(decrease) in cash and cash equivalents** | -346.52% | 100.00% |
| Effects of exchange rate changes on cash and cash equivalents | 15,950 | 34,618 | | Effects of exchange rate changes on cash and cash equivalents | 46.07% | 100.00% |
| **Cash and cash equivalents (net off overdraft) at the beginning of the period** | 14,001,458,055 | 15,121,649,494 | | **Cash and cash equivalents (net off overdraft) at the beginning of the period** | 92.59% | 100.00% |
| **Cash and cash equivalents (net off overdraft) at the end of the period** | 21,402,108,216 | 12,985,986,157 | | **Cash and cash equivalents (net off overdraft) at the end of the period** | 165% | 100.00% |
| Net operating cash flow per share (Restated) | 43.18 | -29.34 | | Net operating cash flow per share (Restated) | -147.17% | 100.00% |

By considering previous year data as base data and for income statement we consider the data of 2020's as base data. And after that we divide the current year data with previous year data. And by this calculation I found that total asset is increasing and also with liabilities and shareholder's equity. Which indicate a moderate result. For income statement Total Operating income is in stable condition whereas Profit is slightly decreasing than previous year. Which indicate basically downfall situation. But if necessary steps are being taken by authority it could be in stable position again. And for Cash flow statement Net Off Overdraft is in good condition. Which indicate there is much more cash transaction occurred which can be helpful for the organization.

### 5.2.4 SWOT Analysis

Here given bellow a SWOT analysis of DBH Finance PLC. which show us some internal and external factors which may be useful for us to understand the report properly:

**Internal Factors**

| Strengths + | Weaknesses - |
|---|---|
| 1. They followed accounting standard properly which makes them more trustable.<br>2. They had earned a good amount of profit than other Non-Banking Institute's.<br>3. Their CR, PM, ATR and DER show a competitive amount than other NBI.<br>4. In timeline comparison they are showing that they are slightly in a good situation. | 1. In some cases they avoid accounting standards by regarding them as not necessary. Ex: Business Combination, Insurance Contract etc.<br>2. Though their comparison ratios and amount are showing good result but they didn't done their financial reports by auditors as necessary. |

**External Factors**

| Opportunities + | Threats - |
|---|---|
| 1. DBH showing a good condition in the market which attract more investors to invest in that organization.<br>2. There is a more probability of earning more profit in the next quarter.<br>3. As NBR rewarded DBH for highest taxpayer in NBI section. Which could be helpful for DBH in some legal sections. | 1. If more investors attract in DBH and invest in DBH it could be hard for management to handle that over invested consumers. And in some case competitor may advertise more for attract their organization.<br>2. As NBR rewarded DBH so it could be visible to other government organization like Ministry of Finance to audit in DBH for checking their real accounts. |

So on that basis we can say that DBH Finance PLC. should take some essential steps to utilize their recent situation. Which can enable them to earn more profit in next quarter.

## 5.3 Recommendation

DBH Finance PLC. is very good condition in market in some manner. But they need to improve and develop their strategy in some sections like Shariah section which they recently opened in their organization.

## 5.4 Other recommendation

In my sense DBH Finance PLC. need to improved their self in this following section:

a) Shariah based transaction should be shown to the interested parties.
b) Shariah section need to be more improved and advanced for depositing, loaning and investing.
c) First line employee need to be trained up more for being efficient.
d) Board meeting should be occurred with less cost.
e) Though they are doing profit but they didn't provide it to their investors time to time. It should be changed with the upcoming new regulations.
f) DBH should invest more in foreign section as it is more profitable than local.
g) DBH should launch some new loan and deposit scheme at affordable cost for the loaner and depositors.

This are my recommendation for DBH Finance PLC.

## 5.5 Conclusion

DBH Finance PLC. started their journey in 1997 with a view to loaning and depositing to the parties who wants to be an owner of a home. Now it's become one of the renowned non banking institute. Bangladesh Bank and NBR provide them many awards for doing well in their section. Investors, loaner and depositors most of the parts are happy with them. It's very much hard work for them to compete with IPDC and LankaBangla in some sections. But in my sense if they train up their employee and launch some affordable loan, deposit and investing option they could compete with them very much easily.

## References

## Web Link:


A. "DBH Finance PLC. Financiala Report for the 3rd quarter of 2023 "Link: https://dbhfinance.com/public/assets/about/directorReport/1706075293_Directors%20Related%20Information_2024_DBH.pdf
B. "DBH Board of Director List" Link: https://dbhfinance.com/board-of-directors
C. "DBH Executive Team List" Link: https://dbhfinance.com/executive-team
D. "Accounting History "Link: https://en.wikipedia.org/wiki/History_of_accounting


## Journal, Research and Books:


**A.** Accounting Principles 9th Edition by Jerry J. Weygandt (Author), Paul D. Kimmel (Author), Donald E. Kieso (Author**)**
B. ANNUAL REPORT of 2022 of LankaBangla Finance PLC.
C. ANNUAL REPORT of 2022 of Bangladesh Finance Limited
D. ANNUAL REPORT of 2022 of IPDC Finance Limited.
E. ANNUAL REPORT of 2022 of DBH Finance PLC.
F. ANNUAL REPORT of 2018 of DBH Finance PLC.
G. ANNUAL REPORT of 2016 of DBH Finance PLC.


## Abbreviations:

1. DBH = Delta Brac Housing
2. AAA = Extremely strong capacity to meet its financial commitments.
3. BAS = Bangladesh Accounting Standards same as IAS (International Accounting Standards).
4. BFRS = Bangladesh Financial Reporting Standards same as IFRS (International Financial Reporting Standards).
5. BSER = Securities and Exchange Regulation issued by The Bangladesh Securities and Exchange Commission (BSEC).
6. ICAB = The Institute of Chartered Accountants of Bangladesh.
7. BSEC = Bangladesh Securities Exchange Commission.
8. IFAC = The International Federation of Accountants.
9. IASB = International Accounting Standards Board (IASB).
10. CAPA = The Confederation of Asian and Pacific Accountants.
11. SAFA = South Asian Federation of Accountants (Formed in the year 1984 to serve the accountancy profession in the South Asian Region and uphold its eminence in the world of accountancy).
12. ICAEW = Institute of Chartered Accountants in England and Wales (ICAEW).
13. CIPFA = Chartered Institute of Public Finance and Accountancy.
14. CPA Australia = Certified Practicing Accountant in Australia.
15. CAANZ = Chartered Accountants Australia and New Zealand.

# Appendix